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# ***JPRS Report***

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***1988 Work Reports From Provinces  
in Northeast Region***

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## 1988 Work Reports From Provinces in Northeast Region

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**Provincial People's Congress Work Report**  
SK1604062789 Harbin HEILONGJIANG RIBAO  
in Chinese 15 Mar 89 p 3

[Report on the work of the Standing Committee of the Heilongjiang Provincial People's Congress, delivered by He Shoulun, vice chairman of the Standing Committee of the provincial People's Congress, on 7 March 1989 at the 2d Plenary Session of the 7th Heilongjiang Provincial People's Congress]

[Excerpts] Fellow deputies:

Entrusted by the Standing Committee of the provincial People's Congress, I now submit to the current session a report on the work of the Standing Committee since the convocation of the first session of the seventh provincial People's Congress.

Since the shift of the term of office, the Standing Committee has held eight Standing Committee meetings in line with the functions and powers entrusted to it by the Constitution and the Organic Law and has conducted effective work and achieved marked progress in implementing the guidelines of the 13th party congress and the 1st Plenary Session of the 7th National People's Congress [NPC] and the Heilongjiang Provincial People's Congresses, in strengthening the building of socialist democracy and the legal system, in gradually perfecting the functions of the Standing Committee, and in ensuring and promoting the province's reform and construction.

1. The Standing Committee has examined, discussed, and decided on major events, centering on the questions which have a bearing on the whole situation and about which the people are concerned.

Over the past year, we have firmly grasped the work of promoting reform and openness, developing the commodity economy, and solving the "hot" questions that are strongly reflected by the masses and cry for urgent solution. Since the 3d Plenary Session of the 13th party Central Committee, we have listed the improvement of the economic environment, the rectification of economic order, and the comprehensive deepening of reform as an important item on our daily agenda. The Standing Committee has listened to and examined one after another 15 reports of the provincial government, including the report on the province's semiannual plan for economic and social development; the report on the implementation of the financial budget; the report on the production and marketing of vegetables in urban areas; the report on border trade with the Soviet Union; the report on agricultural production; the report on public security and social order; and the report on implementation of measures for improving the economic environment, rectifying economic order, and deepening reform. The Standing Committee has also adopted 10 resolutions and decisions on the 1987 financial final accounts;

on strengthening leadership over production and marketing of vegetables in urban areas; on using 2 percent of the funds earmarked for urban residential construction to build residences for teachers of primary and middle schools; and on resolutely screening the cases of random financial levies, random imposition of fines, and random collection of funds. All this has played a positive role in promoting the progress of reform and construction in the province. [passage omitted]

2. The Standing Committee has positively formulated local rules and regulations and has provided a legal guarantee for reform and construction.

To meet the demand of reform and construction, the Standing Committee has accelerated the pace of legislation in line with the demand set by the report of the 13th party congress on strengthening legislative work and on defining in the form of law and system what should be advocated and what should be reformed. Since the 1st Plenary Session of the 7th provincial People's Congress, the Standing Committee has formulated and promulgated 10 local rules and regulations and has approved 3 local rules and regulations. More local rules and regulations were examined and formulated in 1988 than in any other year.

In doing local legislation work, the Standing Committee has given priority to economic legislation. It has formulated one after another the "Provincial Regulation on Management of Industrial Labor Sanitation," the "Provincial Regulation on Supervision and Management of the Quality of Industrial Products," the "Provincial Regulation on Management of Contracts of the Rural Cooperative Economy," and the "Provincial Regulation on Management of the Technological Market." The promulgation of these four regulations has provided a legal guarantee for improving the level of productive forces, for promoting the development of the commodity economy, for improving the labor environment, and for promoting the commercialization of technological research findings. In the field of administrative legislation, in light of the problems that lawyers have had no sufficient laws to follow in performing their duties and that the legitimate rights and interests of old people have been infringed upon, the Standing Committee has formulated the "Provincial Stipulations on Ensuring That Lawyers Perform Their Duties According to Law" and the "Provincial Stipulation on Safeguarding the Legitimate Rights and Interests of Old People." [passage omitted]

3. The Standing Committee has strengthened the supervision over laws and promoted the implementation of laws and regulations.

In accordance with the demand of administering the province according to laws, in light of the prevailing phenomenon of refusing to abide by laws, strictly enforce laws, and punish lawbreakers, the Standing Committee



has primarily adopted the following several methods to strengthen the supervision over law enforcement on the basis of summarizing experiences:

A. It has investigated newly promulgated rules and regulations, and supervised and organized their implementation. [passage omitted]

B. It has conducted general inspection on law enforcement. From mid-September to mid-October last year, the Standing Committee of the provincial People's Congress, together with the provincial government, conducted a province-wide inspection on law enforcement. During this general inspection, eight groups, with the participation of four vice chairmen of the provincial People's Congress Standing Committee, were organized to inspect 10 prefectures and cities and 17 counties on their enforcement of the "Law on Enterprise," the "Law on Forests," the "Law on Compulsory Education," the "Law on Food Sanitation," the "Law on Land," the "Law on Grassland," the "Regulation on Price Management," which were promulgated by the state; and the "Regulation on Management of Financial Levies, Fines, and Collected Funds," which was promulgated by the province. [passage omitted]

C. It has listened to the report on enforcement of laws and regulations. The Standing Committee has listened to the report of the provincial government on the implementation of the "Law on Grassland" and the "Law on Compulsory Education," the report of the provincial Higher People's Court on the implementation of the "Civil Code," and the report on the work of the provincial People's Court. [passage omitted]

4. The Standing Committee has improved the work concerning personnel appointment and removal, and has given appointment and removal in a more democratic manner.

With a view to enhancing the degree of democracy in making personnel appointments and removals, on the basis of drawing the experiences of fraternal provinces and municipalities and summarizing our own work, the Standing Committee has effected great progress in the work concerning personnel appointments and removals. Major indicators are as follows: 1) It has positively created conditions for members to learn more about the situation of personnel who have been recommended for appointment. [passage omitted] 2) It has given full play to democracy and respected the opinions of members. [passage omitted] 3) It has strengthened the supervision over the personnel being appointed. 4) It has dispatched pertinent persons to participate in appraisals conducted by local units for those candidates who have failed to be appointed and who have requested again to be recommended as candidates; reported the appraisal situation to members; and has provided the basis for further examination of members. [passage omitted]

5. The Standing Committee has respected the rights of people's deputies and has earnestly handled the deputies' motions, proposals, criticisms, and opinions.

People's deputies are component personnel of the state power organs. The Standing Committee has regarded the work of maintaining close ties with people's deputies and the work of respecting and protecting the democratic rights of people's deputies as its own important duties. In this regard, it has given prominence to three items of work:

A. It has conscientiously studied and solved the issues raised by the province's deputies to the first session of the 7th NPC with regard to introducing competitive and risk-taking mechanisms to large and medium-sized enterprises, to taking advantage of the opportunity of the implementation of the coastal economic development strategy to revitalize Heilongjiang's economy, to deepening the rural reform and implementing various policies, to improving public security and social order, and to attaching importance to primary and middle school education and price hikes. [passage omitted]

B. It has supervised and urged pertinent departments of the provincial People's Congress and the provincial government to appropriately handle the motions, criticisms, and opinions raised by people's deputies. [passage omitted]

C. It has earnestly received visits and answered letters from people's deputies and the masses. Over the past year, the Standing Committee of the provincial People's Congress has received 1,513 letters and 925 visitors. All of these letters and visitors have been transferred to departments concerned for handling in line with the management principle of keeping with the appropriate department. [passage omitted]

6. The special committees under the Standing Committee have conscientiously performed their duties and have displayed their role in a relatively good manner.

Under the leadership of the provincial People's Congress and its Standing Committee, while lacking personnel and experience, the various special committees established a short time ago, have actively conducted their work, bravely made exploration, and conscientiously performed their duties; thus, satisfactorily displaying their role. Over the past year, before the Standing Committee of the provincial People's Congress formulated and approved local rules and regulations, its relevant special committees always conducted a host of investigation and study activities together with other pertinent units and departments, examined and discussed drafts, invited specialists to make appraisals and dispatched these appraisals to grassroots units with a view toward soliciting their opinions, and sent persons to relevant state departments to ask for instructions. As a result, they have made preparations for the Standing

Committee to examine and discuss local rules and regulations and have ensured the accuracy and rigorous enforcement of these rules and regulations. [passage omitted]

7. The Standing Committee has strengthened its own building and has strived to build itself into a democratic, honest, and efficient state organ.

In order to develop socialist democracy, improve the socialist legal system, better perform the duties of power organs, and ensure the smooth progress of reform and construction, the Standing Committee has attached importance to its own building:

A. It has strengthened ideological building. First, it has conscientiously organized members and cadres to study and implement the guidelines of the 13th party congress and the 1st session of the 7th NPC and the NPC's decision on strengthening the building of the socialist democracy and legal system and ensuring the smooth progress of reform and construction. [passage omitted] Second, it has organized mass discussion on criterion for productive forces across all its organs and has, in line with reality, studied how to conduct and examine the People's Congress work with the criterion for productive forces. Third, it has paid attention to theoretical study. [passage omitted] Fourth, it has sponsored study classes for city and county People's Congress chairmen on two occasions to study pertinent laws, rules, and regulations and to exchange the experiences they gained from their respective People's Congress work. The chairmen participating in these study classes have reflected that such study would be conducive to improving cadres' quality and strengthening their confidence in achieving success in the People's Congress work.

B. It has strengthened organizational building. At a meeting of Standing Committee members, the Standing Committee appointed additional vice chairmen, secretaries general, and members for its six special committees. In line with the demand of strengthening the work concerning overseas and foreign affairs, the Standing Committee decided to change the "Nationalities Committee" to the "Nationalities, Overseas Chinese, and Foreign Affairs Committee" and has submitted this decision to the current session for subsequent endorsement. In January this year, under authorization of the Standing Committee, the chairmen invited advisers for the Financial and Economic Committee; the Education, Science, Culture, and Public Health Committee; the Nationalities, Overseas Chinese, and Foreign Affairs Committee; and the Personnel Committee. These 6 special committees now have 53 component members and 8 advisers. Of the members of these 6 special committees, 30 are members of the Standing Committee of the 7th provincial People's Congress and 23 are provincial people's deputies. [passage omitted]

C. It has strengthened the building of systems. [passage omitted] In addition to drawing up procedural rules and regulations concerning supervision over personnel appointments and removals, the Standing Committee has, through holding meetings of chairmen, decided to establish the news briefing system and the system of inviting visitors to regular meetings, thus making the work of People's Congress standing committees more visible to the public and helping the People's Congress Standing Committees accept the supervision from the people.

D. It has strengthened the building of work style. The Standing Committee has regarded the strengthening of investigation and study as an important part of improving work style. [passage omitted] At the same time, it has laid bare dishonest practices among its organs and conducted education on establishing administrative honesty. [passage omitted]

Although new progress has been achieved in many fields of our work, quite a few problems and shortcomings remain, in line with the stipulations of the constitution and the Organic Law and with the guidelines of the 13th CPC Congress and the 3d Plenary Session of the 13th CPC Central Committee. Major indicators are: 1) The local legislation, economic legislation in particular, still lags behind the demands for improving the economic environment, rectifying economic order, and deepening reform; and some of the local rules and regulations promulgated in the past have not yet been cleared up in a timely manner in line with demands. 2) The supervision over and the enforcement of the laws, rules, and regulations which had already been promulgated have not been strict enough. 3) The Standing Committee has failed to boldly conduct supervision over those major and difficult issues in day-to-day work. All these problems should be solved through great efforts in the future.

Fellow deputies, the task we face in 1989 is extremely arduous. Guided by the guidelines of the 3d Plenary Session of the 13th CPC Central Committee, proceeding from the reality of our province, the Standing Committee of the provincial People's Congress should earnestly perform all duties entrusted to it by the Constitution and the Organic Law; regard the guarantee for the improvement of the economic environment, the rectification of economic order, and the comprehensive deepening of reform as its most important duty; and regard the building of the socialist democracy and legal system as its central task. The Standing Committee should also give priority to perfecting the functions of People's Congress standing committees and to strengthening its own construction. In addition, in line with the resolutions adopted by this congress session and with the 1989 work emphases approved by the provincial People's Congress Standing Committee, the Standing Committee should work hard and make positive explorations for keeping markets stable, bringing commodity prices under control, developing agriculture, promoting educational reform, and strengthening public security and the

building of administrative honesty with a view to making new contributions to implementing the principles of improving the economic environment, rectifying economic order, and comprehensively deepening reform; to strengthening the building of democratic politics; and to accelerating the pace of the socialist modernization drive.

#### **Government Work Report**

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in Chinese 14 Mar 89 pp 1-3

[Government work report given by Shao Qihui, governor of Heilongjiang Province, at the the second session of the Seventh Heilongjiang Provincial People's Congress on 3 March 1989]

[Text] Fellow deputies: On behalf of the Heilongjiang Provincial People's Government, I would like to deliver a work report for consideration and examination.

#### **1. The Review of 1988 Work**

During the past year, the province achieved new progress in various work thanks to the common effort of people throughout the province under the leadership of the CPC Central Committee, the State Council, and the provincial party committee; under the supervision of the provincial People's Congress standing committee; and under the support given by the provincial committee of the Chinese People's Political Consultative Conference [CPPCC], the democratic parties, the mass organizations, and nonparty personages. It also succeeded in fulfilling the work targets adopted at the first session of the seventh provincial People's Congress. The province's GNP showed an 8.8 percent increase over 1987; national income, an 8 percent increase; and total industrial and agricultural output value, a 9 percent increase. The annual plans for a majority of economic norms were fulfilled or overfulfilled and normal development was basically achieved. While making stable progress in economic construction, the province gradually deepened the reform drive in economic systems, scored new achievements in building the spiritual civilization, made progress in various social undertakings, and created a generally good situation.

Industrial production achieved steady growth, and economic results increased somewhat. The province's total industrial output value reached 45.384 billion yuan (excluding the output value at or below the village level), a 3 percent increase over the plan and a 9.9 percent increase over 1987. Taxes and profits earned by the local industrial enterprises whose products are covered by the budget showed a 28.4 percent increase over 1987. The production and product structures were readjusted somewhat, the output of important industrial products increased on a large scale, and economic results increased somewhat.

The rural economy achieved stable development, and the province reaped a bumper agricultural harvest despite the serious natural disasters. The province's total output of grains, soybean, and tubers reached 17.51 billion kg, thus making for another bumper harvest year. The total product of rural society reached 24.55 billion yuan. The undertakings of forestry, animal husbandry, sideline production, and fishery as well as town-run enterprises achieved overall development. The province planted 3.575 million mu of trees and fulfilled its afforestation plan by 111.7 percent. Major cash crops increased on a large scale; and the output of beets, flax, and flue-cured tobacco topped the previous peak. The number of milk cows reached 470,000, a 16.6 percent increase over 1987, and that of sheep showed an 8.3 percent increase over 1987. The decreased hog output became an increase, showing an 11 percent increase over 1987. The output value of town-run enterprises reached 11.14 billion yuan, a 30.3 percent increase over 1987.

Markets were lively, purchases and sales were brisk, and the foreign trade and economic and technical cooperation achieved new development. The province's total retail sales reached 29.41 billion yuan, a 24.4 percent increase over 1987. Exports showed a large-scale increase, and the province exported commodities worth \$947 million, a 16.6 percent increase over 1987. The volume of border trade with the Soviet Union and East European countries reached 196 million Swiss francs, a 4.7-fold increase over 1987; surpassed the total volume accumulated over the past 5 years; and achieved a breakthrough in development. Economic and technical cooperation with foreign countries and domestic lateral economic associations also took a new step.

Financial and banking work scored better achievements. Total financial revenue reached 6.106 billion yuan in 1988, a 10.4 percent increase over 1987, calculated in term of comparable items. The total financial expenses reached 7.268 billion yuan, a 10.1 percent increase over 1987, calculated in term of comparable items. The province maintained a balance between revenues and expenses, excluding the settlement of accounts of central subsidies and the special funds transferred from the 1987 budget. The province overfulfilled the state assignment of treasury bond purchases and of collecting funds for the key projects of energy resources and communications. Banking departments throughout the province vigorously raised funds for industrial and agricultural production and various building undertakings and actively made efforts to promote the economy to achieve stable development. All levels achieved definite progress in developing various types of education. The number of students enrolled by provincial-level institutions of higher learning increased 1.9 percent over the previous year; most counties and districts fulfilled their tasks of popularizing elementary education in line with state standards; about 15 percent of the cities and counties began to implement compulsory secondary education; vocational and technical education and adult education;



witnessed new progress; and the work of eliminating illiteracy was strengthened in the rural areas. The teaching conditions as well as housing conditions for teachers improved continuously.

New progress was made in developing scientific research and popularizing science and technology. We actively conducted joint research on planting large areas of high-yield paddy, corn, wheat, and soybean crops; popularized new technology; and succeeded in promoting an increase in the province's total grain output. In industry, we developed more than 200 new products, 50 of which filled a gap in the country and reached a 1980 international level. Technical and quality supervision, standardization, and other foundation work were strengthened slightly. Technological progress played a more important role in economic development.

On the basis of developing production, the livelihood of the urban and rural people improved to varying degrees. During the year, the province arranged jobs for 262,100 people. The rate of those awaiting jobs dropped from 1.99 percent in the previous year to 1.71 percent. Under the situation of price hikes, the provincial financial department allocated a total of 1.693 billion yuan as subsidies for grain, oil, meat, vegetables, and coal. Although the wages of workers throughout the province dropped slightly when the price increase was factored in, the amount of non-wage income increased by a large margin. Therefore, their actual income increased. The average per capita income of peasants increased 16.6 percent over the previous year. If the price increase was factored in, the actual increase was 7.5 percent. Housing conditions for urban and rural residents further improved. Savings deposits of the urban and rural residents increased 31.9 percent over the beginning of the year. Social welfare benefit work centering on social relief, social insurance, social welfare, government aid, and job arrangements developed steadily and played an effective role in stabilizing the people's livelihood and social environment.

New progress was achieved in various fields of work, including public health, family planning, sports, culture, and cultural relics. The rate of incidence for 19 statutory infectious disease dropped to 400 per 100,000. We achieved fairly good results in family planning work. The province's natural population rate dropped from 13.99 per thousand in the previous year to 12.7 per thousand. Our province's athletes created outstanding achievements in some important international and domestic competitions. Mass sports activities were further popularized. Mass cultural activities were also vigorously developed. Many literary and artistic creations emerged. Press, publication, radio, television, and cultural relics departments made positive contributions to conducting propaganda and education on the situation and tasks, to strengthening media supervision, to spreading spiritual civilization, and to improving the scientific and cultural level of all the people.

We strengthened the consolidation and improvement of the province's public security and social order, deeply conducted activities to deal special blows to certain crimes and to consolidate and improve certain fields, dealt strict blows to serious criminal offenses and economic crimes, and basically stabilized social order.

The nationalities, religious, overseas Chinese affairs, foreign affairs, and tourist departments did much valuable work in strengthening national unity; developing the patriotic united front; and expanding economic, technological, and cultural exchanges.

We were successful in combating floods and dealing with emergencies, achieved unprecedentedly good results in preventing forest fires, and scored fairly good achievements in supporting the poor and providing disaster relief. The accomplishments in rebuilding the disaster-stricken counties in Daxinganling in particular evoked great effects at home and abroad.

During the past year, there were quite a few destabilizing factors in economic life and frequent serious natural disasters. The fairly good achievements we made under such a situation were a result of our efforts to conscientiously implement the guidelines of the 13th CPC Congress, to persist in focusing our work on economic construction, and to adhere to the general principle of reform and opening up, as well as from the concerted efforts of the people of various nationalities throughout the province.

On behalf of the provincial people's government, I express heartfelt gratitude to the workers, peasants, intellectuals, cadres, People's Liberation Army, armed police forces, and public security cadres and policemen on all fronts and in all trades and professions.

In carrying out practical work, the provincial government, under the leadership of the provincial party committee and in line with the tasks defined at the first session of the seventh provincial People's Congress, further rectified the ideology that guides government work; grasped the focus of work; paid attention to improving work styles and work methods; and exerted unremitting efforts to promote the province's endeavor of improvement, rectification, and reform and its construction. First, it held in-depth discussions on the criterion of productive forces. Following the arrangements of the provincial party committee, the provincial government held discussions on the criterion of productive forces to enhance its understanding of the major issues concerning and affecting the province's reform and construction by combining theory with practice. It not only admitted its inadequacy in emancipating the mind and in fostering a sense of reform as well as its failure in carrying out work in a down-to-earth manner, but also adopted concrete deeds to make up for them and adjusted some policy measures in line with the reality of our province, thus facilitating progress in various fields. Second, it carried out persistent reform and opened up to

the world. Notable progress was made in reform. In deepening the reform of the managerial mechanisms of large and medium-sized enterprises, it further improved the contracted management responsibility system, introduced the mechanism of township enterprises, popularized the annexation of enterprises, experimented with the stockholding system, and selected some enterprises to implement the policies for "special zone enterprises," thus invigorating the enterprises. It designated nine different types of experimental reform zones, conducted some explorations, and summarized and popularized the experiences in reform. It conscientiously organized for implementing the provincial party committee's strategy of "association with the south and opening to the north," adopted active and enterprising measures to develop foreign trade and economic and technological cooperation, particularly border trade with the Soviet Union; and formulated a series of policies to strengthen the construction of trade outlets, thus providing favorable conditions for achieving breakthroughs in border trade. Third, it organized for implementing the economic development strategy. Based on the 5-year economic development targets decided at the first session of the seventh provincial People's Congress and the provincial party committee's strategic idea of "pulling one industry and four associated industries" (pulling the power industry, which affects economic construction, and in turn pulling the petrochemical, food and textile, machinery, and building materials industries that are associated with it), it strengthened the "six major pillar industries" (agriculture, the petrochemical industry, the machinery and electronic industry, the food industry, the textile industry emphasizing woolen, flax, and chemical fiber textiles, and the building industry) in a planned and step-by-step manner, and thus began to adjust the province's production setup; improved energy, transportation, and other infrastructural facilities, and increased and strength for sustained economic development. Fourth, it began to organize for implementing the strategic principles of "taking education as the foundation" and "developing the province through science and technology." Despite financial difficulties, the province managed to make the growth of educational investments larger than the growth of revenue, worked out several policy regulations for relaxing the control over and invigorating scientific research institutes and scientific and technical personnel, actively promoted the cooperation and association of scientific research departments and colleges and universities with urban and rural economic departments, and actively provided favorable external conditions for the development of science, technology, and education. Fifth, it conscientiously attended to the work of improvement and rectification. Beginning early last year, especially after the 3d Plenary Session of the 13th CPC Central Committee, we regarded stabilization of market prices as the central task; further strengthened market and price controls; conducted large-scale price inspections; and conscientiously investigated and handled unauthorized price hikes, collection of fees, and apportionment. We reduced the investment in fixed assets by 600 million yuan, suspended and postponed

220 construction projects, reduced institutional purchases by 20 percent from last year in terms of comparable standards as required by the State Council, conscientiously consolidated order in the circulation field, cleaned up and straightened out various types of companies, generally solved the problem of cadres of party and government organs and retired cadres who engaged in businesses and ran enterprises, and publicly handled some typical breaches of law and discipline.

Sixth, it enhanced the building of socialist democracy and legal systems; consciously received the supervision of the People's Congress; tightened its relationship with the CPPCC [Chinese People's Political Consultative Conference] Committee, various democratic parties, mass organizations, and the vast number of people; and strengthened its openness of work and its consciousness in straightening out administrative work in line with the law.

In reviewing the past year, we discovered that there are still some difficulties and problems in economic and social development which cannot be ignored. Except for the poor economic results which have consistently perplexed us, the province is facing some more serious problems and hidden dangers, which chiefly are as follows: the overheated economy; excessive demands; the structural imbalance; the strained relationship among economic sectors; the weak link of infrastructures; and the strained supply of funds, electric power, transportation, and raw materials. The standstill and poor reserve strength of agriculture, particularly of grain production, have caused agriculture to become weak as the foundation of the national economy. The province is experiencing inflation, and its increased commodity prices have not decreased. The province's retail price index showed a 17.8 percent increase over 1987, which influenced the people's livelihood to varying degrees. A number of residents actually experienced a decrease in their standard of living. All of this has formed the key to influencing the people's feelings and imposing restrictions on the reform drive. Economic order was more chaotic and in particular, various acts violating law and discipline which emerged in the circulation field seriously disturbed markets and adversely affected the normal economic life. Economic and social undertakings did not develop harmoniously; and scientific, technological, and educational undertakings were far inferior to the demand of economic development. There was much more insufficient work and hidden dangers in public security than before, and vicious accidents occurred frequently. The number of unstable social factors increased; and organs under the governments committed the problems of corruption, bureaucracy, and the low efficiency of official work. The people also lodged complaints about unfair social distribution.

There are many reasons for these problems. Except for the objective reasons of history and reality, there are also subjective ones, such as the insufficient work of government self-improvement and mistakes committed by the



government. In conducting the guiding ideology of leadership over the economic work, the government was too anxious for quick results and did not deal fundamentally with the problems of unilaterally seeking an increase in items or projects. It paid great attention to increasing input and no attention to tapping the production potential and upgrading product quality. It did not exert sufficient efforts to implement the province's strategy and important policy decisions on economic development or to organize all forces to enforce them. It did not effectively integrate the macroeconomic strategic principle with microeconomic operations or change from the macroeconomic to microeconomic mechanism. It was short of imposing hard restrictions and effectively enforcing the measures. In replacing the old systems with the new, it did not catch up quickly enough with enforcing macroeconomic control and was not aware soon enough of some problems emerging in the economic work and did not adopt effective measures to deal with this. The standard of the government's leading policy decision on democratization was not high. The government did not sufficiently bring into play the role of advisory and research departments and lacked systematic and penetrating investigation and study on the complicated problems which had arisen in the reform drive and in making work scientific. It also lacked theoretical thinking and exploration through practice. It did not anticipate these complicated problems. The government did not successfully bring into play the role of its function as a whole and lacked an authorized centralism. Departments under the government did not actively cooperate with one another under the unified target, thus bringing about an adverse influence on the efficiency of governmental work. All this has shown that there is still a gap between the government work and the development of various undertakings and the people's desires. During the new year, we should take these problems into consideration again and hope that the people throughout the province will enhance their supervision and assistance over government work so as to better improve provincial affairs through reforming government work.

## 2. On 1989 Work

The year 1989 is unusual. Through 10 years of reform and development, we have on the one hand already accumulated definite achievements and have fairly strong economic strength. We have taken a big stride forward on the basis of the original foundation. On the other hand, we will face more rigorous and complicated difficulties and problems than ever, because there are still frictions, opposition, and deadlocks between the new and old economic systems and because the new macroeconomic regulatory and control system has not been formed. We must not only exert efforts to solve the major problems such as the over-heated economy, inflation, price hikes, and dislocation in overall control that restrict economic development and affect the deepening of reform, but must also formulate plans to prevent economic stagnation and the restoration of old systems.

The accumulation of social contradictions and the development of other hidden dangers have become practical problems for us. Under such circumstances, we must comprehensively and objectively grasp the essence of things. We must recognize the seriousness of the problems and also the opportunities brought by our attempt to improve the economic environment and rectify economic order. We must have enough courage to undertake the heavy burden entrusted to us by history and the people and we must firmly rely on the leadership of the provincial party committee, the people of various nationalities throughout the province, and the broad masses of cadres. We must enhance the spirit; engage in arduous struggle; overcome difficulties; and strive to accomplish something with a sober mind, a scientific attitude, and solid work.

With regard to the province's work in 1989, the provincial party committee has put forward explicit guidelines: "Use the guidelines of the 3d Plenary Session of the 13th CPC Central Committee to view the overall situation; strengthen the party's leadership; make breakthroughs in improving the economic environment and rectifying economic order; continue to deepen reform; actively readjust the structure; strive to raise economic results; and realize a steady increase in the economy, in social and political stability and in the coordinated development in various undertakings." The provincial government should act in line with the guidelines set by the provincial party committee, conduct its work creatively, and adopt feasible measures to carry out the work where needed. In addition to exerting efforts to catch up with the pace of national reform and development, we should also make full use of our province's natural resources and geographical advantages; keep our eyes on developing socialist productive forces; rely on scientific and technological progress to improve the quality of laborers; and gradually create a social economic environment characterized by economic stability, brisk markets, social stability, and coordinated development.

In 1989 the provincial government should focus its work on improvement, rectification, reform, and development which should be mutually restricted and supplemented. We must persist in the general principle defined by the 13th CPC Congress on further conducting reform and opening up; adhere to the principle put forward by the 3d Plenary Session of the 13th CPC Central Committee on "improving the economic environment, rectifying economic order, and comprehensively deepening reform"; and must not shake our will to reform in face of current difficulties. Improvement and rectification do not mean a change in the principle of reform and opening up, nor mean "stagnacy" or "retrogression" in reform. Instead, they mean readjusting the content and pace of reform and creating a better economic environment for reform. The key to successful improvement and rectification lies in our efforts to readjust the economic structure and establish a new order for the socialist commodity economy, because these are important parts of deepening reform. In our government work, in addition to properly

improving the relations among improvement, rectification, reform, and development, more importantly, we should correctly assess the current complicated situation, grasp the overall situation, and strive to achieve improvements in the course of stability.

In accordance with this basic thought, the provincial government should grasp economic construction, reform, and opening up with one hand while grasping ideological and political work with the other hand. It should make proper arrangements for the development of economic and social undertakings. Under the plan, the province's gross domestic product this year should increase 6.4 percent over the previous year, the national income should increase 6 percent over the previous year, and the total industrial and agricultural output value should increase 6.5 percent over the previous year. Proceeding from the situation facing our province, the provincial government should grasp the following eight tasks particularly well.

A. Make the market flourish, and control prices. Markets and commodity prices, which are closely linked with the people's everyday lives, represent a sensitive issue which the masses are most concerned about, and are very important issues concerning economic stability. In the current economic activities, marked inflation and the inordinately large price increases not only are detrimental to the normal operation of the macroeconomy but also exceed the level for which the people are mentally prepared, thus causing some people's actual living standards to decline. The masses are dissatisfied with them. They represent not only a serious economic problem but also a major political problem. In the new year, whether or not the government is able to stabilize the market and the commodity prices through effective work represents a test to judge its ability to control the situation. Therefore, the provincial government should regard it a task of prime importance to make the market flourish and control prices and should conscientiously attend to this.

Based on the overall demand of the party Central Committee and the State Council for making this year's price increases notably lower than last year's, the provincial government sets forth this year's targets for controlling the market and the prices so as to further make the market flourish, to actively organize the supplies of the basic daily necessities for the people and ensure that they are not sold out, and to strive to reduce the province's retail price rises 4-5 percentage points from last year. They are the central tasks for this year's work of improvement and rectification, and all economic work should be focused on them. The targets can be attained if we carry out our work successfully and no unexpected changes occur. Judging from the current situation, however, it is extremely difficult, and there are numerous subjective unfavorable conditions in the way of our realizing the targets. Therefore, we should go all out and make unremitting efforts.

Prices are a comprehensive reflection of society's economic situation. Therefore, making the market flourish and controlling prices involves large-scale work with many multilayered targets and complicated related factors. We may call it a large-scale systems engineering project. After having conscientiously analyzed and studied the province's economic situation, the provincial government set forth the "383 project" aimed at solving the problems concerning markets and prices. There are 383 representative commodities the state depends upon when calculating the retail price index, of which 331 are consumer goods of 8 categories and 52 are means of production for farm use. These commodities generally constitute the main body and components of the commodities needed in the people's lives and the capital goods for farm use. Their supplies decide actual price levels; therefore, we regard them as major targets in our endeavor to make the market flourish and control prices. Of course, the price index of these 383 kinds of commodities is not equivalent to the residents' consumption level. Therefore, we should also carry out the "383 project" to guide the management of the prices of other commodities and the people's expenses for noncommodities.

Implementing the "383 project" is a strategic measure for gradually embarking on the orbit of "letting the state regulate the market, and letting the market guide enterprises." It is also a more realistic and dependable starting point for carrying out economic restructuring that can affect the entire situation under the current circumstances of strained financial and material resources. Of course, its major function is to make the market flourish and to control prices. In order to realistically and effectively organize the work in various fields when carrying out the "383 project," the provincial government should do its work by starting from developing commodity production, increasing effective supplies, improving circulation links, strengthening price supervision and management, and preventing social demands from increasing and should give priority to the project of the supply of funds, power, materials, and means of transportation to ensure that the various work targets are attained.

It is necessary to increase effective supplies. The provincial government should conscientiously study demand and supplies and adopt various effective measures to increase supplies. With regard to the supply of major foodstuffs such as grain, oil, meat, sugar, and salt, we should ensure that prices are not increased for commodities with which the dwellers are supplied at fixed amounts. It is necessary to carry out the measure of awarding hog raisers with fertilizer, to formulate a preferential policy on hog purchases, and to carry out the methods of selling fixed numbers of hogs at parity prices and unlimited numbers of hogs at negotiated prices. We should set up bases for the stable production of vegetables, steadily and appropriately expand vegetable-growing areas, ensure the peoples' "vegetable baskets" with "vegetable gardens," reasonably arrange the purchase and marketing prices of ordinary vegetables, and

realistically organize vegetable supplies. With regard to the supply of industrial goods, particularly the people's daily necessities, we should manage in a planned manner the production and marketing of the people's daily necessities such as matches, soap, detergents, cotton cloth, aluminum pots, washbasins, and commodities in short supply, including TV sets. We should also make arrangements for ensuring the supply of necessary raw materials and the purchases and marketing of commodities so as to guarantee the supply of goods. We should consciously implement the State Council's regulations on specialized management of agricultural capital goods, including chemical fertilizer, plastic films, and farm chemicals; ban resales for profit at various layers; and eliminate exploitation by intermediate layers. The amounts of chemical fertilizer, farm chemicals, and plastic film to be supplied this year should remain at 1988 levels or be increased slightly. It is difficult to satisfy the effective supply of commodities if we rely solely on production by the province. We should extensively widen the channels for the supply of goods and essentially supplement our demands through developing cooperation with other provinces. The provincial government should effectively manage and coordinate the cooperation between various provinces according to market demands and the principle of exchange at equal value and helping supply each other's needs. Through strengthening lateral cooperation, we should set up correspondingly stable cooperation relationships to ensure effective supplies for the province's markets.

We should improve the work in the circulation field. In view of the isolation of some markets, and problems with the lack of unified management, the provincial government should exert great efforts to achieve market organizational work. In principal, we should set up a strict responsibility system and define the responsibility for management of goods prices for the departments at various levels under the provincial government and delegate appropriate rights to them. Departments at various levels should institute the division of work and closely cooperate with each other to ensure the realization of the overall market price targets. We should continue to consolidate the order of the circulation field, constantly do a good job in sorting out companies, strike heavy blows against profiteering and speculation, and get on with investigating and handling major, appalling cases. It is necessary to further enhance industrial and commercial management and technological supervision; consolidate urban and rural fair-trade markets; impose strict sanctions against illegal price-raising activities, playing tricks on markets, and selling counterfeit products; and establish normal market order. State commercial enterprises and supply and marketing cooperatives should bring into full play their role as a main channel for ensuring supplies and stabilizing goods prices and should adopt essential administrative means and economic measures to ensure the supply of necessities. We should try every possible means to set up a system of reporting the hoarding of commodities to policemen; enhance the work on market information, statistics, and

calculations; quickly grasp the changing trends of market supply and demand; adopt effective countermeasures to meet the trends; and enhance the people's sense of stability for market prospects.

We should strengthen the supervision and management of goods prices. Under the current circumstances in which the supply of commodities cannot meet demand and an imperfect market mechanism, using administrative means is still an effective way to control the price of goods. We should strive to make this year's increase in retail sales prices 4-5 percentage points lower than last year. The provincial government should adopt comprehensive measures to control price increases. This year the province and all cities and counties basically do not formulate new measures for readjusting goods prices. Commodities with prices that must be readjusted should go through the procedures for approval by the provincial government.

Reports should be submitted to price departments and approval obtained before the prices of important local commodities are raised. Ceilings should be fixed for the price of meat, poultry, eggs, vegetables, and other commodities closely linked to the people's lives and those that are sold in trade fairs and markets, and the ceilings should not be surpassed. Methods such as making commercial units share less profit and giving financial subsidies will also be adopted to stabilize the prices of daily necessities and major nonstaple foods. The provincial government has already set the price index control target as a mandatory target in its economic work. Governments at various levels and departments concerned should enforce the responsibility system in attaining the price index control target and should be assigned certain responsibilities. Based on the state unified prices, the state guiding prices, and the market regulating prices, we should work out different ways to strictly manage the prices of various commodities and should never overstep our authority to handle them. Departments in charge of commercial, grain, light industrial, marine product, medical, material supply, and building material enterprises and industrial and commercial administrative departments should organize specific and respective responsibilities for attaining the price index control targets for various types of commodities. We should establish funds for price regulation, which should be used primarily for subsidizing the consumer goods needed in the people's lives, and funds for temporary price changes. In order to strengthen price supervision and inspection, the efforts of relevant departments should be mustered; and specialized and mass price supervision and management contingents should be established to successfully supervise and inspect the prices of the 383 kinds of commodities in particular, including their ex-factory, wholesale, and retail prices. Failure to implement price policies, any random and unauthorized price increases, and disguised price increases should all be dealt with strictly. If a pertinent department does not conscientiously carry out its responsibility and adopts a laissez-faire attitude to create



chaos in price management, its leading persons should be held responsible. Meanwhile, charges for electricity, water, liquefied gas, and medical services supplied to residents, as well as tuition and miscellaneous fees, which are closely linked with the people's lives, should be strictly managed according to state stipulations. They should not be raised arbitrarily so as to protect the interest of consumer.

We should prevent social demands from increasing. Through reduction and adjustments, we should make the province's general demand and its demand pattern compatible with its current level of productive forces. This year's scope of investment in fixed assets in the province should be reduced 25-30 percent from last year. The projects to be scaled down include not only planned projects but also unplanned and extrabudgetary projects. Nonproductive projects, particularly office buildings, auditoriums, and hotels, should be resolutely reduced. Plain living, hard work, and frugality are the principles we should adhere to on a long-term basis. Particularly in this year when revenue is very strained, we should foster even more the idea of leading an austere life, increase our financial resources with all possible means, strive to increase revenues and reduce expenditures, strictly enforce the state tax law, manage taxes resolutely according to law, strictly control financial expenses, strengthen the management of extrabudgetary funds, resolutely check the trend of extravagance and waste, and in particular strictly implement the State Council's relevant policy regulations for controlling institutional purchases to reduce the annual institutional purchases by more than 20 percent from last year's level of actual consumption. We should bring the number of newly recruited staff members and workers under strict control and resolutely check the unauthorized issuance of bonuses, in cash and in kind, as well as the issuance of subsidies. We should also adjust the pattern of consumption and guide consumption demands through retrenching credit funds, increasing savings deposits, issuing bonds, and popularizing the commercialization of houses.

B. Strengthen the position of agriculture as a foundation, and achieve stable growth in the rural economy.

Ours is a major agricultural province. As a foundation of the national economy, agriculture occupies a strategic position which no other industry can supplant. In the new situation of improvement and rectification, the work to increase effective supplies depends to a considerable extent on agriculture. Therefore, further strengthening the position of agriculture as a foundation is a very important task when judged from either immediate or long-term needs.

In line with the characteristics of our province's natural resources and the current agricultural development, the provincial party committee has put forward an explicit agricultural development strategy calling for efforts to consider grain as the main body while taking animal husbandry and township enterprises as the pillars, as

well as efforts to combine grain with animal husbandry and enterprises in order to stimulate the coordinated development of various trades. This is a way to develop agriculture with the characteristics of Heilongjiang. The provincial government should realistically organize forces to implement this important development strategy and exert utmost efforts to reap a bumper agricultural harvest this year. Under this year's plan, our province's total agricultural output value should increase 5 percent over the previous year, the total output of grain, soybeans, and tubers should reach 18 billion kg, an increase of 2.8 percent; the output value of animal husbandry should increase 11.8 percent; the output value of township enterprises should increase more than 30 percent; and the average per capita income of rural people should increase approximately 5.6 percent. To realize this year's agricultural development goal, we must do a good job in the "one priority, two readjustments, and three dependences."

"One priority" means giving priority to developing grain production. Agriculture is the foundation of the national economy, and grain is the most important foundation of all. Only by giving priority to grain production can we manifest the provincial party committee's strategic ideology of "considering grain as the main body" and lay a foundation for stabilizing the rural economy and the whole national economy. In order to give priority to developing grain production, we must exert our primary efforts on improving low-yield fields and about 20 percent of low-production households in the rural areas with one hand while conducting joint research projects to develop large areas of high-yield fields, to make breakthroughs in "grasping low-yield fields and making them high-yield fields," to raise the yield per unit area, and to increase total output. In improving low-yield fields, we must adopt the methods of combining engineering, biological, and agronomic measures and make comprehensive improvements. Beginning this year, the province should conduct the "Heilongjiang Cup" emulation drive in farmland capital construction throughout the province, establish the rural labor accumulation system, set aside a portion of the construction funds and use them as awards instead of investment, properly increase discount loans for water conservancy development, grasp farmland capital construction such as improving dry-land fields and making them paddy fields, further improve agricultural infrastructural facilities and production conditions, and strengthen our antidisaster capacity. The existing rural low-production households basically are poor households. We should support their production, implement measures to support the poor, and accelerate the pace of eliminating poverty through raising their production level. In conducting joint research projects to develop high-yield fields, we should conscientiously organize people to implement the "bumper harvest plan" and use these high-yield research projects to stimulate large areas of bumper harvest. This year and next, we should establish two 10-million-mu high-yield corn and soybean fields and 5 million mu of high-yield paddy fields, grasp the high-yield projects in the second and

third accumulated temperature zones, and expand the area of paddy fields by 1 million mu every year. We must strive to make one-third of the arable land produce 30 percent of the total grain output. We should conscientiously grasp comprehensive agricultural development in the Sanjiang plain and build an open business and commodity-oriented agricultural development zone.

The "two readjustments" include the readjustment of rural production set-up, the target of which is coordinated development and a benign cycle, and the readjustment of the rural economic relations with a focus on deepening reform.

In readjusting the rural production set-up, we should proceed from the technology of large-scale agriculture and work out plans for the various rural industries in line with the orientation of the commodity economy. We should actively develop animal husbandry, clearly define the specific orientations of various localities in line with their own characteristics and development foundations, grasp the building of bases, and conscientiously protect and actively improve grassland. The input of materials, funds, and technology for developing animal husbandry should meet the needs of developing an independent industry, and efforts should be made to gradually increase the input every year. It is necessary to select several cities and counties to experiment with integrating production with processing and marketing. We should further develop fishery, expand fish-raising areas, raise the yield per unit area, and continue to increase the total output of aquatic products. Efforts should be made to implement the "spark plan" and promote the development of township enterprises. The emphasis of this work is to grasp readjustment, improvement, and development, readjust the product mix well, raise the quality of enterprises and products, and strengthen the competitive capacity.

Efforts should be made to promote the establishment of lateral economic associations and to develop joint-technology enterprises between urban and rural areas so that town-run enterprises will be able to make stable progress in the course of improving the economic environment and rectifying economic order. We should regard household-run enterprises as an important way of making the rural economy prosperous and, in line with the trend of sharing partial production first and then engaging in specialized production, have households start their production under their shed and then develop intensive production. Tree-planting activities have a vital bearing on the ecological balance and constitute a big event which can benefit our next generation. Therefore, we must make all-out efforts to do a good job in this regard. Efforts should be made to carry out an extensive mass movement of planting trees, to do a good job in building the second-phase project of the "three north" shelter belt, and to upgrade the province's rate of forest vegetation to accelerate the pace of making the province green.

In order to change the crisis of natural resources encountered by forestry enterprises and the passive situation in the economic crisis and difficulties, efforts should be made to uphold the principle of regarding the forestry business as a foundation, accelerating the pace of nurturing young forests, and building forests with rapid growth and rich harvests. We should earnestly implement the "forest law," manage the forests in line with the law, resolutely block illegal felling of trees, and do a good job in conducting forest fire prevention in order to protect the natural resources of forests. Efforts should be made to readjust the structure of timber products, to do a good job in carrying out the comprehensive application and intensive processing of timber, and to develop a diversified economy in order to have forestry enterprises increase their economic results and social and ecological benefits.

Deepening the reform drive in rural areas and successfully readjusting the relationship among rural economic sectors represent a strong motive force to promote the comprehensive development of the rural economy and to ensure that agriculture reaches a new level. We should further concentrate on stabilizing and improving the household responsibility system with payment linked to output. On the basis of upholding the household responsibility system, proceeding from meeting the need of developing the rural commodity economy, and taking the generalized and mutual-benefit contract relationship as a condition, we should improve the double-layered business mechanism with the integration between centralization and delegation of rights and should perfect the service system in rural areas. On the premise of respecting the peasants' will, efforts should be made to actively explore the normal transfer mechanism of farmland contracts and adequately stabilize the land management mechanism which takes the right of land utilization as a core to promote the rational circulation of the major production factors of rural areas. Agricultural departments, enterprises, and units should follow the principle of developing agricultural productive forces by deepening the reform drive to enhance their service function. In conducting reforms, state farms should continuously uphold the principle of stabilization, improvement, and growth, take the building of household-run farms as a main task, enforce the various kinds of responsibility systems such as building farms that are jointly run by households and having farm machine teams sign production contracts, improve the system of building small farms within large ones, and pay attention to bringing into play the role of production teams to upgrade the function and economic results of farms.

"Three dependences" means that efforts should be made for the comprehensive implementation of measures of "depending on policy, on science, and on input" to promote the development of agricultural productive forces. First, we should resolutely defend party policies to arouse the peasants' enthusiasm. A good job should be done in readjusting the policy on grain purchases and sales; to raise the prices of fixed-quota purchases of



grains such as corn, rice, and wheat in line with state provisions; to eliminate the task of "turning negotiated prices into fixed ones"; to increase the volume of fertilizer distribution which has been merged in the purchase operation; and to relax control over the price of grain outside the purchase contracts or to let prices follow the market situation. Fixed-quota purchase contracts signed by the provincial authorities with various prefectures, cities, and counties in 1989 and 1990 will remain unchanged. The surplus of subsidies will be given to the local authorities, and shortages in this regard will also be made up by them. The provincial people's government plans to carry out systematic investigation and study of the links of grain production, purchase, storage, delivery, and management in order to work out as soon as possible coordinated policies and measures for successful grain affairs. A good job should be done in implementing policies concerning hog and vegetable production. In managing hog raising, we should uphold the principle of integrating management with the relaxation of rights. Rights which have already been relaxed should continue to remain in the peasants' hands. The principle of voluntary and mutual benefit should be upheld in signing contracts for purchases and sales. Large and medium-sized cities should formulate their own measures for hog purchases and sales. Efforts should be made to earnestly examine the irrational burdens imposed on peasants, and leaders who have been responsible for arbitrarily imposing burdens on peasants should be called to account. We should maintain the continuity and stability of the party's policies in rural areas. Second, we should depend on scientific and technical progress to develop agricultural productive forces and to establish an agricultural commanding system. We should depend on a new mechanism in which the system of popularizing agricultural technology and the system of agricultural command can suit and depend on each other.

The responsibility system should be carried out at every level, and forces should be organized to successfully implement the "bumper harvest plan." We should consolidate and improve county, township, and village-level network, to popularize science and technology and should intensify the technical training of peasants and the popularization of science and technology in rural areas. We should organize scientific research departments and agricultural institutes to stay in rural areas to contract for and establish the "responsibility zones for popularizing agrotechnology"; actively popularize the system of group contracts for agrotechnology; and link responsibility, power, and profit, which should be fixed in a form of contracts. We should organize agricultural scientific and technical personnel throughout the province to conscientiously summarize experiences and then gradually establish some advanced technology for agricultural cultivation such as standardization in fine strains, cultivation, fertilizer application, and plant protection, that conforms to regional plans; extensively apply it in a planned manner; and integrate modern and traditional agrotechnology. Third, we should rely on an increase in agricultural input to enhance the strength for

sustained development. We should pool the efforts of the state, the locality, the collective, and the peasants to open up various channels for increasing agricultural input. Despite the very strained financial resources, the province should raise 100 million yuan of funds for agricultural development from various quarters this year. The province as well as cities and counties should all gradually establish an agricultural development fund, which finance departments at various levels should include in their budgets, keep accounts of its receipts and disbursements, and earmark it for special purposes. The provincial government has adopted measures to increase this year's supplies of chemical fertilizer, pesticides, plastic sheeting, and diesel oil over last year. We should organize peasants to carry out farmland capital construction on a large scale, gradually commercialize labor services, and organize peasants to accumulate and create more farm manure and to use both organic and inorganic fertilizer to increase land fertility. We should strengthen land management, adhere to the principle of managing and using land according to law and the principle of reimbursed use of land, and rationally use, protect, and expand land resources. We should step up efforts to keep farm tools and machinery in good repair and renew them, improve the system of managing them, and give full play to their role in promoting agricultural development.

C. Attach strategic importance to education, and facilitate the continuous development of education.

Poverty is not socialism; and with ignorance, socialism cannot be built. Economic revitalization, scientific and technological development, and even the progress of the entire society depend on the development of education. Therefore, we should adhere to the principle of "taking education as the foundation of the undertakings of vital and lasting importance" and realistically place education in the first strategic position.

Despite certain development in education over the past few years, our province, judging from the current situation, has not truly shifted its socialist construction to the orbit of relying on scientific and technological progress and improving the quality of laborers. We are enduring various punishments because we neglected education. A pressing task is to enhance our understanding; raise our awareness; include educational development in the provincial government's medium and long-term plans for economic and social development; and make the goals and supporting measures for education coordinate with those of economic, scientific and technological, and other work. When holding discussions on education, we should enable cadres at various levels to regard the acceleration of educational development as a pressing task and as their responsibility and should regard educational development as a major criterion when appointing and assessing cadres.

In its educational work for 1989, the provincial government should strengthen primary education in particular,

consolidate and improve the achievements in popularizing middle-school education, and make the middle-school compulsory education universal in some counties and towns having a population of about 25 percent of the province's total. Proceeding from the needs in production and construction, it should greatly develop vocational and technical education, encourage the various quarters of society to develop vocational and technical schools, properly develop middle-school-level agricultural, vocational, and technical education, and greatly develop secondary vocational and technical education. With regard to higher education, it should stabilize regular college education, properly develop specialized education, and control the scope of recruitment of graduate students, which should be different in different areas. With regard to adult education, it should actively develop on-the-job training for workers and applicable technical training in rural areas and continue the work of wiping out illiteracy. It should develop preschool education and run well the university courses for elderly people.

Under the current financial resources, we should strive to improve the teaching conditions of schools of various categories at various levels in order to implement the educational principles comprehensively, improve the quality of education, and ensure the normal teaching demands. Currently, we should concentrate efforts on eliminating schoolhouses that are in dangerous condition. In the next 2 years, we should basically solve the problems concerning the "two-shift system" and "excessively larger numbers of students in a classroom" so as to ensure that 80 percent of the province's schools have no dangerous schoolhouses, that there are sufficient classrooms, that all students have their own desks and chairs, and that 20 percent of the schools basically attain the requirements for having standardized schoolhouses. Institutions of higher learning under the province should continue to close the gaps within their existing scales, gradually complete their subsidiary and coordinated projects, and further raise the results from running schools.

Education is a strategic industry, so we must not regard education as a consumption or nonproductive undertaking. The orientation to alleviate the strains on educational expenses is to have the government and society increase the investment in education, coordinate the increase in educational funds with economic development, and make society's input to education be suitable to the increase in the residents' consumption. At present, the province can think about the following few methods for alleviating the strain on educational expenses: 1) Financial departments at the provincial level and below should try every possible means to increase the investment in education and ensure that the rate of increase in educational investment is not lower than the national average level; 2) We should strive to gain the support of all fronts, go through procedures according to law, and collect funds from society; 3) We should appropriately collect some tuition and sundry fees from the students at

schools at the level of noncompulsory education and regard these funds as the people's investment in intellectual development; 4) All fronts should support and encourage schools to create revenues through reasonable and legal channels. Meanwhile, we should resolutely ban various activities of recklessly apportioning expenses from schools, and schools should manage and make the most of their limited funds and strive to upgrade the utilization rate. The provincial government should further improve the existing channels for collecting funds and appropriately pioneer new financial resources. Under the current strained financial situation, we should ensure the allocation of educational funds on the premise of saving funds in other fields. We should appropriately raise the proportion of funds for maintaining, repairing, and building primary and middle schoolhouses in the urban areas' maintenance cost on the premise of not being lower than 4 percent. Beginning this year, we should raise the proportion of urban educational surcharges from 1 percent to 2 percent and should not collect charges for building according to unified plans the necessary houses for primary and middle school teachers and workers. We should mobilize social forces to support education and set up people's educational development foundations at the county and township level. The funds to be cut from sorting out fixed assets and on-going office buildings, auditoriums, and hotels and the additional charges and banquet taxes to be collected from sales of the commodities under special control shall be used to develop education. Educational expenses must not be diverted for other uses. The provincial government shall set forth provincial regulations on educational expenses in order to mobilize all of society to support educational development and shall submit these regulations to the provincial People's Congress for legislation.

Structural reform of education should be further deepened to promote the formulation of new systems governing basic education, vocational and technical education, higher education, and adult education. The enhancement of basic education and vocational and technical education and the cultivation of primary and middle-class skilled persons should be placed in a prominent position. With regard to the reform of basic education, we should continue to improve the system of running and managing schools at various levels, work out a unified plan for management of basic education, vocational and technical education, and adult education at the county and township level, make unified arrangements for junior middle-school, middle school, and senior high-school education, and make unified plans for agriculture, science, and education. With regard to the structural reform of higher education, we should continue to expand the decisionmaking power of institutions of higher learning for running schools and gradually make them become independent units for running schools. According to the demands of society, we should take the initiative to readjust and perfect the structure of specialized education so as to suit the demands of the province's economic and social development. In the

reform of adult education, we should shift the focus to in-service training, continue to promote various forms to run schools cooperatively, and upgrade the overall results from running schools.

It is necessary to raise the social status and improve the material benefits of teachers and promote the social practice of respecting teachers and paying attention to education. We should adopt feasible and effective measures to gradually improve the working, study, and living environment of teachers. Currently, we should pay attention to solving the housing problems of primary and middle school students and young and middle-aged college teachers. In line with the realities of our province's contingent of teachers and the principle of stability, replenishment, readjustment, and improvement, we should strengthen the building of ranks of teachers and optimize the rank structure and raise the political, cultural, and professional level of the ranks of existing teacher ranks. Efforts should be made to realistically run well teachers' training schools and institutions, strengthen teachers training education, formulate preferential policies, and encourage outstanding students to enter themselves for the examination of teachers training schools. It is necessary to further strengthen the building of teachers training bases in order to train qualified teachers for primary and middle schools as well as vocational and technical schools throughout the province. We should strictly control the amount of personnel and reduce the number of surplus personnel, particularly the number of nonteaching and nonscientific research personnel. Proper jobs should be arranged for surplus personnel through various channels.

We should strengthen the ideological and political work of schools and extensively conduct education on the situation, tasks, patriotism, morality, and aesthetics. Efforts should be made to reform the content and methods of our ideological and political work, strengthen the ideological and political work contingents, and conscientiously solve the problems that "some teachers are tired of teaching," that "some students are tired of studying," and that "some students have dropped out of school." We should strengthen education on teachers' professional ethics, actively promote the practices of imparting knowledge, educating the people, managing schools, and serving the people, and establish the three-in-one teaching network of schools, families, and society. It is necessary to consolidate school order, strengthen security management in and outside schools, enhance democracy in schools, clear the channels of holding democratic dialogues, intensify the ability to deal with all accidental cases, and maintain and develop a stable and united situation.

D. We should continue to implement the principle of "using science and technology to invigorate the province" and should accelerate technological progress.

Last year the provincial party committee and the government formulated and implemented the strategic plan of "using science and technology to invigorate the

province." This is a major change in the guiding ideology for economic and social development. Scientific and technological progress is a decisive factor in social and economic development. Under the situation of the shortage of economic funds in particular, the practices of relying on science and technology to develop economic construction and gearing scientific and technological work to the needs of economic construction have become more significant. Based on the existing scale of science and technology, we can raise labor productivity by a large margin by conducting technological progress, tapping potential, and conducting technical transformation, and we can increase effective supplies and raise economic results. We may use this turning point, in particular, to change the extensive economy under which we relied on setting up new equipment and establishments for long-term production expansion to an intensive economy under which we may tap internal potential to expand production in an effort to fundamentally change the province's backward economic situation. Therefore, developing our economy on the basis of scientific and technological progress is and will be our only way out and is the only choice.

In 1989 the provincial government should deeply and realistically implement the principle of "using science and technology to invigorate the province" and should emphasize the reliance on science and technology to solve the "difficult points" in the entire province's economic life. In addition, we should base ourselves on the present situation, have a long-term view, lay a good foundation, and create conditions for further developing science and technology.

We should step up our efforts to formulate plans to implement the principle of "using science and technology to invigorate the province." The provincial government will organize special bodies to grasp research, conduct repeated consultations and appraisals, define plans, and put them into practice by the end of this year.

We should prominently combine science and technology with the economy, strengthen applied and developmental research, pay attention to basic research and the popularization and application of scientific and technological findings, and serve the drive to improve the economic environment and rectify economic order in an effort to stabilize the economy. In line with the province's actual situation, currently we should particularly grasp the following tasks well:

To protect agriculture and increase grain production, we must particularly grasp experiments to increase the production of large areas of fields sown to soybeans, corn, and paddy rice and provide well-considered supporting and production technological norms.

To stabilize the market and ensure effective supplies, we should pay comprehensive attention to the work related to the people's vegetable baskets, with the focus on pork,



fish, and chicken supplies and the selection and cultivation, experimentation, and development and research of summer and autumn vegetable strains.

In the production of manufactured goods for the people's everyday use, we should actively develop readily marketable new products and put 300 new varieties of goods in the market every year. Making use of our province's advantage of abundant resources, we should successfully achieve the coordinated technological development of the cultivation, storage, and processing of tobacco, sugar, and flax and successfully cultivate and develop the "north medicinal herb" resources.

To ease the strained supplies of energy resources, means of transportation, and raw materials, we should pay particular attention to the research and development of energy-conservation technology, optimal communications and transportation networks, refined industrial chemicals, and new building materials.

In developing high-technology industries, we should uphold the principle of emphasizing applied research and development, developing advantages, and giving prominence to priorities. In particular, we should conduct research and tackle technical difficulties of fermentation engineering, enzyme engineering, cell mixing technology, and genetic engineering. Meanwhile, we should continue to achieve a success in the research of micro-computer technology projects to provide industrial and agricultural production with new high-technology achievements.

In the research of soft science, we should emphatically study the overall policy decisions and methods for improvement and rectification, the plans for economic restructuring, the plans for developing the province through science and technology, and the plans for scientific and technological development for the 8th Five-Year Plan period and should emphatically explore a new mechanism that combines science and technology with the economy, so as to provide scientific data for leading persons to make policies.

We should accelerate and deepen reform of the scientific and technological structure to more quickly establish a mechanism which closely links science and technology with the economy. We should further implement the policy toward intellectuals, relax control over and invigorate various scientific research institutes and scientific and technical personnel of various specialties, encourage the rational flow of talented people, develop the association of scientific research institutes with production units, and support scientific research institutes to enter the economic field and scientific research personnel to enter the "major battlefields." We should establish a mechanism that integrates science and technology with the economy, enhance the enterprises' ability for mastering and developing technology, include scientific and technological progress targets in the contracts of enterprises and the goals that plant directors (managers)

should attain within their tenure under the responsibility system, and select some pilot enterprises that will become advanced in scientific and technological progress. We should further strengthen the popularization of science, improve the markets for science and technology, develop technology trade, and promote the commercialization of scientific and technological achievements.

We should increase the input into science and technology step by step and establish systems that support scientific and technological progress. With regard to finance, the investment in science and technology should be increased to 1 percent of the total expenditure of the finance department at the corresponding level and should be increased every year at a rate higher than the growth rate of regular revenues. With regard to credit, loans for more scientific and technological projects should be given, and the percentages of the loans should be fixed. State industrial enterprises which institute the contract system are permitted to set aside 1 percent of their sales volume as a technological development fund in order to improve enterprises' ability for mastering new technology and developing new products.

E. Further deepen enterprise reform; organize industry, communications, and production well; and achieve stable development in the process of adjustment.

Industry and communications occupy a dominant position in the national economy. Industrial production faces many difficulties this year. Conscientiously organizing for industrial production is very important in either improving the economic environment and improving and increasing effective supplies or in ensuring revenues.

We should maintain a proper growth in industrial production this year on the premise that economic results are improved. Total provincial industrial output value is planned at 51.1 billion yuan, 7 percent higher than last year. Profits and taxes attained and delivered to higher authorities by local budgetary enterprises should be increased somewhat. In organizing industrial production, the provincial government should persistently promote adjustment through reform, promote optimal organization through adjustment, and promote development through optimal organization and should strive to achieve unity in growth rate, economic results, and reserve strength.

In order to overcome the current difficulty and realize the target of industrial development and readjustment, it is imperative that the reform drive be further deepened among enterprises. In conducting enterprise reform, we should make the tax reduction and profit allowance in the shallow layer become imposing on production pressure and tapping production potential in the deep layer in order to continuously deepen the reform in internal coordinated systems. Efforts should be made to further improve and develop the management responsibility

system; to earnestly implement the "enterprise law"; and to establish or improve the enterprise competition mechanism, risk-taking mechanism, and self-regulation mechanism. We should vigorously implement the "circular" issued by the CPC Central Committee on enhancing or improving enterprise ideological and political work; accelerate the pace of establishing a new system of ideological and political work, and have plant directors and secretaries take personal charge of straightening out the relationship among the party, the government, the trade union, and the CYL Committee. Efforts should be made to improve the relationship in a certain scope between production and property rights, to conduct active and adequate pilot work in enforcing the stock-sharing system among state-run key enterprises, to sell small state-run enterprises step by step and in a planned manner, and to do a good job in conducting pilot work in this regard among large and medium-sized state-run enterprises or "specialized enterprises" to promote the change in enterprise business mechanisms. We should enforce the "bankruptcy law" and, in line with the principle of transferring property rights with compensation, actively promote enterprise combination, accelerate the circulation of major productive factors, and emphatically support or establish some large enterprises groups. In conducting reform in the distribution system, enterprises which have conditions should enforce the system of integrating wages with economic results, actively carry out adequate labor optimization and combination, and conduct reform in the labor system. Meanwhile, efforts should be made to further establish or improve the various kinds of markets so as to create an external favorable climate for deepening the reform drive among enterprises.

We should concentrate our major efforts on successfully managing large and medium-sized backbone enterprises. To protect market supplies and financial revenue, this year the provincial people's government will manage well 78 large and medium-sized state-run enterprises having taxes and profits over 5 million yuan and 58 collectively owned enterprises having taxes and profits over 500,000 yuan. The output value of these large and medium-sized enterprises accounts for one-half of the province's total industrial output value, and the taxes and profits they earned account for more than two-thirds of those earned by the province. Most of the 58 collectively owned enterprises are backbone enterprises which are engaged in the production of daily consumer goods. If we manage well these large and medium-sized, as well as the collectively owned enterprises, we will be able to promote or stabilize the situation as a whole. The provincial People's Government should adopt a "special policy" toward the 136 backbone enterprises; enforce the system of conducting independent examination among them; have them make reports at a given date; give preferential treatment to them in the fields of coal, power, transportation, and funds; and make efforts to have them vigorously tap their production potential.

We should actively readjust the production and product structures. For many years, although the province has

conducted several readjustments in industries, it has only paid attention to the control of total volume and neglected structural readjustment, thus bringing about the long-standing structural imbalance. In 1989 the provincial people's government will make all-out efforts to readjust the production and product structures. In readjusting the production structure, we will follow the strategic ideology set forth by the provincial party committee with regard to "one influence" and "four connections," take the strong points of natural resources and the existing enterprises as a basis, regard markets as a guiding direction, and pay attention to both immediate and long-term interests in order to enforce the principle in which projects and items can be either ensured or curtailed, to reinforce the pillar industries, to develop basic industries, to gradually realize structure optimization, and to enhance the reserve strength of economic development. After curtailing the scale of capital construction projects, construction enterprises should improve their contingent of personnel, deepen the reform drive, and open the business of tertiary industry or expand their domestic and foreign construction markets to overcome the current difficulty. In readjusting the product structure, we should emphatically ensure production that is related to the necessities of the people's daily lives, commodities that are in short supply, products for the support of agriculture, "hot" products, and export products. In line with the state policy on industries and the list set forth by the provincial People's Government for readjusting the production structure, we should adequately implement the special policy in the fields of loans and credits, material supplies, energy resources, and communications and have various industries and trades strengthen their management to ensure the realization of the target set for the readjustment of both production and the product structure.

The strains on energy resources, transport, and capital are prominent contradictions restricting our province's economic development. This year the province should prominently attend to the production and transportation of coal; give priority to ensuring the supply of coal for markets and for power generation; ensure more electricity production that is stable and full and which uses the existing generation units; and ensure that the new 525.00-kw generation units will be put into operation on schedule. The province should firmly attend to the construction of railway hubs and the reconstruction of double-tracked railway lines, speed up the construction of roads linking the central city with outlying areas as well as construction of satellite cities' roads, further readjust the transportation structure, and bring into play the functions of various means of transportation. We should fully tap the potential of funds, collect funds from all fronts, strive to solve problems concerning overdue payments, reduce the amount of funds to be held unused, accelerate the turnover of capital, and upgrade the results from the utilization of funds.

Strengthening management and operation is a "pillar" in rejuvenating enterprises. We should shift the ideology



for guiding industrial production from increasing investment and paying attention to speed to relying on science and technology and paying attention to economic results. We should also strive to pioneer a new path on which enterprises can score higher economic results at a proper rate of development. Enterprises should exert efforts to attend to management and operation: 1) Enterprises should attend to upgrading themselves and strengthen the basic management work; the provincial government should formulate and perfect standards for upgrading enterprises at various layers, continue to launch the campaign of upgrading enterprises at various layers, and strive to ceaselessly upgrade the quality of enterprises; 2) A campaign of vying with each other to upgrade labor productivity should be launched among staff and workers of industrial enterprises throughout the province. Through launching this campaign, the province can tap the inherent potential of enterprises; deepen the "double-increase and double-reduction" campaign; realize the targets for reducing the consumption of energy resources and raw materials and the amounts of funds to be seized, upgrading the quality of products, raising labor productivity, increasing economic results, and reducing the number of money-losing enterprises. This year we shall adopt strict measures against money-losing enterprises, such as giving them "yellow plate" warnings, not budgeting for them, merging them with others, or declaring bankruptcy, and strive to make this year's deficits noticeably lower than last year; 3) we should consciously strengthen the supervision over product quality, positively carry out modernized quality management methods, and encourage enterprises to adopt advanced international and foreign standards to upgrade product quality and market competitiveness; 4) We should intensify production management. Under the strains on production funds, electricity, raw materials, and transport, it is very important to intensify management work in order to ensure the stable development of industrial production. We should give corresponding powers and means to production management organizations at various levels and give priority in the management of the production factors, such as coal, electricity, transport, and funds, that are related to the state economic life-lines and the overall production situation so as to ensure the normal operation of the province's industrial production; 5) We should substantially attend to safe production. We should firmly foster a concept of putting safety first and put safe production in a key place on the work agenda. We should regularly conduct education on safety to enhance staff and workers' sense of safety. In particular, the coal, communications, petrochemical, textile, building, forest industry, and machinery trades should conduct regular general safety inspections of their production so as to quickly remove hidden perils, try every possible means to prevent the occurrence of major serious accidents, reduce the occurrence of general accidents to the minimum, and ensure safe production. We should keep sharp vigilance against the sudden arrival of natural disasters such as floods and

earthquakes, conscientiously do a good job in monitoring and predicting disasters and dealing with their aftermath, and reduce the losses due to disasters to the minimum. Meanwhile, we should vigorously develop the insurance business, conscientiously do a good job in providing economic compensation, and protect the safety of state property and the people's lives.

F. We should persist in the principle of developing cooperation with the south and opening the north to the outside world and should actively promote opening up.

Promoting and expanding the further opening up in the course of improvement and rectification is of great significance in promoting economic invigoration. The provincial government should continue to implement the principle of developing cooperation with the south and opening the north to the outside world; make full use of the international environment and our province's good conditions; further develop foreign trade and economic and technological cooperation; guarantee the fulfillment of the state-assigned export plans and the three base figures, which include the base figure of creating foreign exchange through export, the base figure of foreign exchange delivery, and the Renminbi subsidies for earning foreign exchange through exports which fall within the prescribed base figure; strive to make the foreign export trade volume exceed \$1 billion; and unceasingly develop barter trade with the Soviet Union and East Europe.

We should continue our efforts to deepen the reform of the foreign trade system, further improve the contract management responsibility system of all foreign trade companies and the industrial foreign trade companies, and put pressure on foreign trade departments and enterprises in an effort to intensify their vitality. It is also necessary to implement the double-track contract system in fulfilling the export plan and actively promote the agent system.

With regard to foreign trade, this year we must make breakthroughs in creating foreign exchange. The key to success lies in continuously striving to expand the sources of export commodities, basing ourselves on the provincial and local situations, and accelerating the building of export commodity production bases and special plants. In this regard, the provincial government should strengthen planning; work out unified organizational plans; actively support the work; combine industry with foreign trade, agriculture with foreign trade, and the introduction of new technology with the increased production of enterprises; and set time limits for forming the scale of these bases in order to display their economic results. It is necessary to continuously optimize the structure of export commodities, increase the proportion of precision and intensive processing products, machinery, and electrical products that are exported; raise the export economic results by obtaining high additional value from products; further strengthen management

over the sources of export commodities; control price increases and buying spree and the outflow of the source of goods; and properly handle the relations between exports and domestic sales.

When there are contradictions between exports and domestic sales, we must strive first to satisfy the province's urgent needs. While grasping the work of creating foreign exchange through exports, we should actively expand economic and technological cooperation with foreign countries, encourage foreign traders to come to our province to establish foreign-funded enterprises or to use our province's existing factory buildings and equipment to run joint ventures, and actively develop export-oriented enterprises which "put the supply of raw materials and the marketing of products on the world market" and which need not consume the province's raw materials in short supply.

While developing economic relations and trade and economic cooperation with Southeast Asia, Japan, West Europe, the United States, and other countries and regions, we should also further expand barter trade with the Soviet Union and East Europe. The provincial government should consider Soviet border trade as an important part of the province's national economic development; formulate development plans and border laws and regulations as soon as possible; actively develop economic and technological cooperation in favor of barter trade; focus the work on contracting projects and developing labor service cooperation; and supplement the work by exporting technology, light, textile, and machinery equipment. We should do a good job this year in organizing associations, display the collective advantages, reduce internal consumption, and adopt unified export plans. The provincial authorities should organize existing border trade enterprises into several regional, specialized, and comprehensive integrated companies; strengthen internal coordination and intensify the enterprises' cohesion as well as their ability to compete and regulate themselves. It is necessary to strengthen the infrastructural facilities at ports, try out pilot work in experimental areas where foreign trade is developed to invigorate the border areas, and strive to achieve new progress in Soviet border trade work.

While strengthening our efforts to open the province to the outside world, we should further develop lateral economic cooperation in the country and develop "cooperation with the south" to promote "opening up in the north." We should increase agricultural input; implement the "383 projects"; develop natural resources; actively expand economic relations with other provinces; and import funds, technology, trained personnel, and managerial experience. Through developing lateral economic cooperation, we should broaden the channels of the source of export goods in and outside the province, establish export commodity production bases and bases to supply raw materials in short supply, and promote the province's economic development.

G. Control the size of the population and improve its quality.

Population has always been a strategic issue concerning the overall situation. In fulfilling every strategic target of China's economic and social development, we have always aimed at increasing the per capita figures. If we say that the overheated economy, structural imbalance, and inflation have brought crisis to our economic activities, a loss of control over the population growth cause a decline of the per capita GNP, which has been lower than the average world level; the needs of the populace's daily lives will exceed the capacity of the natural productive forces that exist latently in land resources; and a lack of resources, strained supplies, environmental pollution, unemployment, and other social problems will become more aggravated. This will bring us an extremely serious social crisis. We should remain clear-headed to note this rigorous fact and, proceeding from the overall party and state situations and taking the existence and development of the Chinese nation into consideration, should implement in a resolute and down-to-earth manner the basic national policy of "controlling the size of the population and improving its quality" so that our province's population growth will conform gradually to its economic and social development and so that population growth will be coordinated with its utilization of resources, ecological balance, and environmental protection. This is a pressing task ahead of us.

According to the state-assigned population plan, our province should keep its population to within 40 million at the end of this century. This means that our average annual net increase in population must not exceed 450,000. We should ensure that this controlling target is fulfilled. This year's population birthrate should be kept at about 17 per 1,000 and the population natural growth at 11.5 per 1,000. We should strive to make the planned birthrate reach 85 percent and greatly reduce the number of births for family.

Our tasks remain very arduous to achieve the these population control targets. Beginning with the provincial government, governments at various levels should foster a strong sense of population and a concept of per capita figures, closely combine family planning work with economic development and building of the spiritual civilization, and carry it out persistently with a strong sense of responsibility and urgency. We should consider family planning work an important responsibility of governments, include it in the targets to be attained with the tenure of government leading cadres at various levels, and take it as a major criterion for assessing the performance of cadres. The provincial government should organize regular inspections of family planning, commend those who do a good job, and criticize and even punish those who do a poor job. We should unfailingly implement the current family planning policies of the party and state; advocate late marriage, late childbirth, and one child per couple; and exert great efforts to advocate healthy births and sound upbringing. We

should establish and improve family planning service and management systems as well as family planning service networks and should strengthen guidance to family planning. We should mobilize forces from all social quarters to exert concerted efforts to attend to family planning work in a comprehensive manner. Public health departments should do their work actively and successfully; education departments should pay attention to sound upbringing and education; civil affairs and judicial departments should check marriage registrations well; and statistical departments should conscientiously compile accurate and realistic family planning statistics in order to gradually institutionalize, standardize, and legalize our province's family planning work.

#### H. Strengthen environmental improvement and develop the socialist spiritual civilization.

Socialist modernization is faced with a complicated social environment. At present, various social contradictions and factors that lead to instability are increasing. This has become a problem about which the masses are deeply concerned. To strengthen the improvement of the social environment, we should greatly strengthen the building of the spiritual civilization; step up efforts to tackle public security problems comprehensively; and provide a good social environment for improving the economic environment, rectifying economic order, and comprehensively deepening reform.

Under the conditions of conducting reform and opening to the outside world, the work of enhancing the building of the spiritual civilization is done to unify the people's thinking and acts by applying the spirit of "realizing the four modernizations and making China prosperous"; to vigorously foster theoretical guidance, strong public opinion, the concept of values, cultural conditions, and social climate which are favorable for building modernizations, conducting reform, and opening to the outside world; to overcome the narrow vision and conservative idea of petty production; to combat the corrosive thinking of feudalism and capitalism; and to heighten the tremendous enthusiasm and creative spirit of the people throughout the province in devoting themselves to the modernization program. Governments at all levels should assume overall responsibility for building the two civilizations simultaneously and actively promote the program of building the spiritual civilization throughout the province. By bringing into play the strong point of politics, they should conduct education among the vast number of people on the situation and tasks, on the observance of law and discipline, on vocational ethics, and on social morality. Efforts should be made to carry out extensive mass activities of building the spiritual civilization, such as eliminating outdated or bad habits and fostering new civilized morale; to advocate the belief in science and the opposition to feudalism and superstition; to advocate adequate recreation and prohibit gambling; to advocate austerity and rational consumption and oppose extravagance, waste, and holding large wedding ceremonies and funerals; to advocate mutual

respect and love and oppose rudeness; and to better improve the activities of building civilized units, villages, and towns and the army (police)-civilian campaign in this regard. We should enhance the consolidation and management of cultural markets by supporting the healthy, allowing the safe, combating the vulgar, and eliminating the reactionary and salacious so as to provide civilized, healthy, and progressive nourishment for the people's minds. Efforts should be made to continuously upgrade the quality of ideology, morality, science, and culture among the people throughout the province through conducting the aforementioned work. In building the spiritual civilization, we should bring into full play the role of radio and television broadcasting, newspapers, periodicals, and literary and art departments to develop healthy social trends.

In building the socialist spiritual civilization, we should not only pay attention to ideological construction but also to the building of various infrastructures and the social climate so as to enable the entire society and the social environment to continuously achieve civilized and progressive development.

A good job should be done in conducting medical, public health, and health care work. We should comprehensively implement the principle of taking prevention as a main task and integrating Western medical technology with the Chinese traditional medicine; enhance the prevention and cure of infectious and endemic diseases and diseases that can harm the people's health; and further carry out an extensive patriotic sanitation movement with the central tasks of improving the quality of water, killing rats, and consolidating environmental and food-stuff sanitation in a comprehensive way. Efforts should be made to continue to promote preliminary public health and health care work to upgrade the health-care capability of residents in both urban and rural areas. We should enhance the building of morality and work style for medical personnel in order to upgrade the quality of service. All-out efforts should be made to carry out mass physical culture and sports activities so that the vast number of people can plunge into various socialist undertakings with a healthy physique and a brand new outlook.

Environmental protection and ecological balance are big events having a vital bearing on state plans and the people's livelihood. The province's environmental pollution and ecological damage are more serious. Governments at all levels must pay sufficient attention to them and should adopt measures with regional or comprehensive characteristics to bring the development of pollution under control and to relieve the ecological damage so as to improve somewhat the atmospheric situation, the sources and quality of potable water, and noise interference of key cities and to protect well the environment in which the people live.

In improving the social environment, our current and prominent task is to enhance social peace. The province's target in consolidating social peace this year is to



maintain political stability, to ensure the basic stability of public security, and to have the masses enhance their feeling of safety.

We should step up efforts to comprehensively tackle public security problems. We should implement the principle of making pertinent departments responsible for their own work in preventing, investigating, and cracking down on crime simultaneously; give full play to the role of grass-roots organizations and the masses; and mobilize forces from all social quarters to tackle problems with concerted efforts in order to improve the overall ability to tackle problems. We should establish and improve systems to build networks and should socialize and standardize the endeavor to comprehensively tackle public security problems. In order to punish evil and advocate goodness and to support the righteous and drive away the wicked, we should encourage and commend the active elements who dare to take charge of and struggle against public security problems. We should improve the contingent of public security and judicial cadres and policemen, enforce discipline strictly, rectify common practices, and upgrade their political and professional competence. When tackling the problems comprehensively, we should properly place the people released from transformation and reeducation through labor and strengthen management of people from other localities and of unemployed people. We should unswervingly implement the principle of "dealing strict blows," continue to adopt the measure of both dealing blows in a concentrated manner and dealing blows for special purposes, and punish serious economic crimes and other serious criminal offenses sternly and promptly according to law in order to frighten evil persons and boost the confidence and courage of the masses of cadres and ordinary people in struggling against various acts that damage public security and against serious criminals. We should adopt realistic and effective measures to reduce the incidence of cases that damage public security; increase the number of cases that are cracked; resolutely check major and appalling cases, particularly the upward trend in serious cases of violence; effectively prevent ugly phenomena in society from spreading; expand areas where public security is stable; and maintain social stability. We should pay attention to and prevent sudden incidents; master the development of the social situation in a timely manner; successfully regulate, remove, and transform various contradictions; and nip all sudden incidents in the bud. We should study and work out measures and methods for resolving sudden incidents and reduce as much as possible the shock sudden incidents bring to society so as to promote the stability of the situation throughout the province.

### **3. Conscientiously Improve and Strengthen Government Work**

This is the year for simultaneously carrying out improvement and rectification and achieving development. The tasks facing the provincial government are heavy and arduous, contradictions are conspicuous, the situation is

complicated, and many unexpected difficulties and problems will emerge in all of society's economic activities. Under such circumstances, it is even more necessary to rule the province by law; improve and strengthen government work; enhance the ability of governments to master the overall situation, raise their policymaking level, increase their authority and unity, and enable them to control and cope with various complicated situations; and to continuously push reform and construction forward.

#### **A. Strengthen efforts to remain honest in performing official duties.**

We should be resolute both in carrying out reform and opening up and enlivening the economy and in remaining clean and honest and opposing corruption. This is our basic principle. Our government is generally clean and honest; However, corrupt phenomena characterized by dishonesty are reflected at varying degrees on some government personnel. The corrupt deeds of government personnel will unavoidably pollute the political and economic environments, reduce the masses' trust in government, and weaken government authority. Therefore, the work to keep government clean and honest should be regarded as a very pressing task.

The provincial government should include in its agenda honesty in the performance of official duties, organize all its members and all personnel of its organs to conscientiously study and implement the guidelines of the CPC Central Committee's "summary of conference on keeping party and government organs clean and honest," and take the initiative in waging anticorruption struggles. We should remain honest in our official duties in the process of improvement and rectification and facilitate the work of improvement and rectification through remaining honest in our official duties. The director responsibility system should be applied to the province's endeavor of remaining honest in performing official duties. The provincial governor should be responsible to the entire province, provincial vice governors should be responsible to the fronts under their charge, and department and bureau directors should be responsible to their own departments and bureaus. We should formulate measures to strengthen supervision and inspection so as to open up a new situation in honesty in our official duties.

It is necessary to set up a mechanism for government to restrict itself. We should exert efforts to restrain and improve ourselves, close loopholes, set up order, and reduce and even eliminate the soil and conditions that can create decadent phenomena. The key to eliminating decadent phenomena hinges on enhancing the setup of systems so that the provincial government's activities can be kept within the bound of regulations and systems. It is necessary to set up a system for publicizing government affairs. The provincial government should set up a set of definite and specific systems to handle government affairs within this year. Along with setting up and improving of a new work order, we should make visible

to the masses those affairs that should be made public as well as the regulations, procedures, results, and time limits of the affairs to be handled by the governments so that it will be convenient for the masses to supervise the government's work and so that it can be made visible to the public.

With regard to improving administrative honesty, government leaders at various levels should set an example for the masses and be the first not to barter away their powers for money, to maintain honesty, not to indulge in extravagance, and to engage in arduous struggle. Meanwhile, they should subject their children and relatives and the working personnel around them to discipline and stop them from relying on their positions, powers, and influence to seek private gains and privileges. We should rely on our administrative honesty and outstanding achievements to gain the people's belief so that the governments' cohesive force and appeal will be enhanced.

#### B. Strengthen and improve macroeconomic control.

When replacing the old systems with the new and particularly when faced with the confused situation of inflation and economic disorder, the governments should strengthen macroeconomic control. So, the provincial government should bring into play its functions for conduction [0278 1418], overall planning, and transformation [6239 1090] in conducting macroeconomic control; strive to create an economic operational environment where long-term optimum structure, short-term overall balance, and a stable economic growth are ensured; and gradually set up a new socialist commodity economic order.

It is necessary to bring into play the functions of planning in comprehensively balancing and guiding the national economy. In the course of changing from a product economy to a planned commodity economy, the state has reduced mandatory planning with a view to bringing into play the markets' regulatory functions. This has had a great impact on promoting the setup of the new system that "the state regulates markets and markets guide enterprises." However, in view of the province's situation during the past few years, we know that macroeconomic control was affected in the course of replacing the old systems with the new due to our failure to bring planning's functions into play. From now on, while bringing into play the functions of the market mechanism, the provincial government should pay attention to the functions of planning, strictly enforce mandatory planning, formulate feasible guidance planning, enhance planning's restrictions, and ensure orderly operation and coordinated development of the national economy.

Industrial policies and the policies on distribution of national income are two big levers in regulating social and economic activities, so we should strengthen the

overall application of these policies. This is a key provincial government link to strengthen and improve macroeconomic control. Accurate industrial policies are key links in promoting macroeconomic control and microeconomic operation, bases for readjusting the economic structure, and key governmental means for conducting macroeconomic control. Reasonable policies on distribution of national income are prerequisites for the implementation of industrial policies. The provincial government should organize relevant departments, specialists, and practical workers to attend to the study in this regard; strive to find out results by the end of this year; and apply economic, legal, and administrative means to promote the realization. From now on, the provincial-level financial department should upgrade their economic regulatory capacity in the distribution of the national income.

In addition, we should strengthen the supervision of auditing work. With regard to banking and credit, we should conscientiously implement the principle of "controlling the total amount of credit, readjusting the structure, guaranteeing key projects, reducing the number of ordinary projects, and regulating the work at an appropriate time" and make full use of the opportunity in which the state has raised the rate of investment loans in accordance with the industrial and product development order defined by the provincial government. We should adopt special credit policies; protect and support technically advanced industries and enterprises with development prospects; and enable those enterprises with backward production technology and low competitive ability and with products that are stockpiled and unmarketable to reduce their business volume, to stop or change their production line, or to close down in an effort to attain the goal of protecting the advanced, eliminating the backward, and improving the economic structure. Only by effectively using various economic levers, supplementing one another, and enabling them to become integrated forces can we free ourselves from a strange circle in which "the economy has become disorderly when we have relaxed control over it and has become too rigid when we have strengthened management over it." By doing so we can also boost not only the enthusiasm of the microeconomy but also the comprehensive balance of the macroeconomy.

To strengthen regulation and control of the macroeconomy, we must strengthen the government's centralized and unified leadership and foster the government's prestige. With regard to government functions, we should decentralize what should be decentralized and concentrate what should be concentrated. When making major policy decision and measures for reform and construction, we must strictly enforce orders and prohibitions, properly handle relations between the part and the whole, and persist in the principle of having the part submit to the whole. As far as a province is concerned, the provincial government should be responsible to the State Council, the provincial party committee, and the provincial People's Congress. The various localities and



departments must submit themselves to and serve the prevailing situation in the province. By no means should each unit act on its own or do things as it sees fit. In addition to stressing centralism, the provincial government should also deal with concrete matters relating to its work. We should conscientiously organize forces to carry out things when decided in an effort to change the impractical situation of issuing calls without formulating measures, making arrangements without conducting inspection, and carrying out activities without achieving results. In the future, no member of the provincial government should conceal faults or gloss over wrongs in their work. They must not lodge written lawsuits against others, must not engage in "fistfights," and must not do nothing but draw circles. Instead, they should strive to simplify procedures, do more solid work, raise the level of political discussions, and raise work efficiency. It is necessary to strengthen the cooperation of high levels of the provincial government, change the situation in which some departments dispute over trifles and elbow each other out, eliminate internal consumption, strictly enforce discipline, take the overall situation into account, and raise work efficiency. Under the current situation, governments should properly apply administrative means to the regulation and control of the macroeconomy. However, they must be sober-minded, have the actual situation in mind, strive to gradually weaken the administrative means in the course of deepening the economic structural reform, and prevent the restoration of old systems.

In the course of conducting regulation and control of the macroeconomy, we must strengthen the building of the legal system, persist in managing things in line with the law, and formulate local laws and regulations for guaranteeing improvement, rectification, reform, and construction. While using law as the weapon to eliminate obstacles to reform and rectification, we should codify the effective methods of improvement, rectification, reform, and construction and all government ideas in the form of law, discipline, decree, and system. We must use them to keep the actions of the people within the proper bounds. We should conscientiously implement the resolution of the provincial People's Congress on strengthening law enforcement of administrative organs. All members of the provincial government should take the lead in studying and using the law; enhance their awareness in using law to manage administrative work; overcome the situation of using words and powers to replace or overpower the law; strive to ensure that there are laws by which to abide, that laws already enacted are observed to the letter, and that violators are brought to justice; and gradually embark on the path of using law to run the province.

The provincial government will also carry out reforms of provincial-level organs and the personnel system in line with the arrangements of the state so that it will change its functions, streamline its organs, raise its work efficiency, and more successfully lead the people throughout the province in reform and construction. We should

improve the grass-roots organs of power and, focusing on streamlining administration, delegating power to lower levels, rationalizing the relationship among various sectors, and establishing organs rationally, gradually establish vigorous and authoritative grass-roots administrative and social management organs that conform to the development of reform and the commodity economy and perform adequate functions.

C. Enable leading persons to make policies in a more scientific and democratic manner.

We are currently at a time in history when extremely profound changes are taking shape in the economy, in politics, and in society. This sets an even higher demand on the leadership's policymaking level. We should persist in the scientific approach of seeking truth from facts, abandon the backward way of thinking and making policy that are characteristic of small-scale production, and strive to upgrade the policymaking ability of leading persons of the provincial government to a level compatible with their functions and responsibilities.

We should establish a procedure for making policies in a scientific and democratic manner and act in strict accordance with this procedure. From now on when formulating all major policies, the provincial government should make sure that no policies are made without systematic investigations and study, without the consultation and appraisal of experts and scholars, without the comparison of and screening from more than two programs, and without collective discussions by leading bodies. The provincial government should correct and overcome subjective arbitrary decisions to guarantee as much as possible the correctness of policymaking. When deviation or mistakes occur in our work, we should listen modestly to the criticism of various quarters and have the courage to conduct self-criticism, take on responsibility, and make correction.

We should fully develop collective wisdom and attach importance to the role of the "external brain." Focusing on the major policies of the provincial government, we should strengthen the three optimally disposed consulting, information, and supervision departments that support policymaking and should give play to their role as advisers and assistants prior to, during, and after policy is made. The provincial government decided to hold comprehensive hearings once every 6 months attended by consulting departments, experts, and scholars to extensively give heed to and draw their opinions and criticisms. The provincial government should attach great importance to information work and master the important development of the situation on all fronts and areas through great amounts of timely, accurate, and continuously supplied information. We should mainly master the situation in implementing the plans of the party Central Committee, the State Council, and the provincial party committee and government; the new situations, new problems, and new experiences in reform, opening up, and economic construction; and the

"hot points" and "sensitive points" in the political, economic, and cultural fields and social lives of the entire province as well as the problems that are developing, that may become a trend, or that are a symptom of certain trends. In particular, we should always make the effort to understand the feelings and demands of the masses, master the situation, and make policies correctly and accurately to prevent policymaking from lagging behind and causing undue losses to our work and causes.

We should consciously receive the supervision of the People's Congress; actively present our work report to the People's Congress session; attach importance to proposals and motions raised by People's Congress deputies; and enhance the consultations with nonparty personages and mass organizations such as the CPPCC committee, democratic parties, trade unions, the CYL Committee, and Women's Federation in order to carefully listen to their opinions and to supervise or reform our governmental work. Efforts should be made to establish the systems of dialogue and of receiving reports on misdeeds to learn about the voice and demand of the vast number of people, to develop the fine tradition of "from the masses and to the masses," to have major events be known by the people and major problems be discussed by the people, and to enable governmental opinions to be unanimous with the people's interests and desires.

#### D. Enhance the sense of public servants.

The personnel of state apparatus are public servants of the people. Their terms are decided by the character of our socialist country. Currently, government organs exist with varying degrees of a bureaucratic work style and are committing the malpractice of taking advantage of power to seek personal gain. All this must be improved.

"Leadership means service." We should put the starting and ending points of the government work realistically on the fundamental point of serving the people. The provincial people's government will regard things which are in conformity with the fundamental interest of the

vast number of people as the first criterion in formulating policies and measures and will regard things which can saturate the people's demands as the first responsibility. Efforts should be made to uphold the principle of doing everything for the people and by relying on the people, regarding the "hot points" people care about as the emphasis of government work, and regarding the "trifles" related to the people's basic livelihood as a big events in government work. Efforts should be made to go deep into the masses frequently to learn about the people's feeling; to show concern for the people's weal and woe; to particularly attach importance to or show concern for the production and livelihood of old revolutionary bases, minority areas, and border and poor areas; and to show concern for or support the economic development of minority areas. On the basis of developing production, we should enable the people's livelihood in both urban and rural areas to be gradually improved.

We should enhance the patriotic united front work and bring into full play the role of various democratic parties and patriotic personages in joining in political work and discussing administrative affairs. Efforts should be made to implement the policies concerning nationalities' affairs, religions, Overseas Chinese affairs, and the affairs of Taiwan compatriots and family members of personnel who are currently in Taiwan; to further enhance the work toward Taiwan; to strengthen the unity between the Army and the government; to tighten the ties between the Army and the people; to bring into play the role of the People's Liberation Army and the armed police forces in building socialism; to arouse the socialist enthusiasm of various social circles; and to offer ways and means for and make contributions to the province's programs of reform and construction.

Fellow deputies, 1989 is a year that will be full of difficulties and hopes. Let's unite as one under the guidance of the spirit of the 3d Plenary Session of the 13th CPC Central Committee and the correct leadership of the provincial party committee to wage arduous struggle, to fulfill various work and tasks in an overall way, and to greet the 40th anniversary of the founding of the PRC with new achievements!

### People's Congress Work Report

SA194041089 Changchun JILIN RIBAO in Chinese  
22 Mar 89 p 3

[Report on the work of the Standing Committee of the Jilin Provincial People's Congress, delivered by Cui Lin, vice chairman of the provincial People's Congress Standing Committee, at the Second Session of the 7th Jilin Provincial People's Congress on 12 March 1989]

[Excerpts] Fellow deputies:

Entrusted by the Standing Committee of the 7th Jilin Provincial People's Congress, I now submit to the current session a report on the major work done by the Standing Committee since the convocation of the 1st Plenary Session of the 7th provincial People's Congress.

Over the past year, under the leadership of the provincial party committee, the Standing Committee of the provincial People's Congress has adhered to the basic line of the initial stage of socialism defined by the 13th CPC Congress; upheld the guiding principles of improving the economic environment, rectifying the economic order, an comprehensively deepening reform, set forth by the 3d Plenary Session of the 13th CPC Central Committee; implemented the various resolutions adopted by the 1st Plenary Session of the 7th National People's Congress (NPC); earnestly exercised the duties and powers entrusted to it by the Constitution and the Organic Law, by giving priority to ensuring and promoting the progress of reform; further strengthened the building of socialist democracy and the legal system; and promoted the development of reform, opening-up, and socialist modernization in the province.

1. Formulating and promulgating local rules and regulations is an important power entrusted upon the Standing Committee of the provincial People's Congress by the Constitution and the Organic Law. Over the past year, the Standing Committee has formulated and promulgated nine local regulations, approved four local regulations formulated by the standing committees of the Changchun and Jilin City People's Congresses, and approved one regulation formulated by the Yanbian Korean nationality autonomous prefectural People's Congress.

The deepening of the economic structural reform, and the establishment of new economic operational mechanism need the guarantee of laws and regulations. Therefore, the Standing Committee has placed emphasis on formulating local economic regulations. Of the nine local regulations, six are economic ones. Along with the development of the commodity economy and the changes in the managerial structure, it is an urgent task to strengthen supervision over statistics and to strictly enforce the legal system concerning statistics. In accordance with the relevant stipulations of the State Statistical Law, the Standing Committee has formulated the

"Jilin Provincial Regulation on Statistical Management," in line with the reality of the province. Over the past few years, some localities have witnessed serious cases of manufacturing and marketing fraud. This, along with inferior commodities and unjustified price hikes, have disturbed the market order and infringed upon the interests of customers. To counter this situation, the Standing Committee has formulated the "Jilin Provincial Regulation on Protecting Legitimate Rights and Interests of Customers." Natural resources constitute the material foundation of economic construction. The Standing Committee has formulated three local regulations concerning protecting, developing, and reasonable utilization of natural resources. In accordance with the stipulations of the State Law on Land Management and the State Law on Fishery, by summarizing the experiences in implementing the "Jilin Provincial Temporary Regulation on Land Management" and the "Jilin Provincial Regulation on Management of Fishery," the Standing Committee has once again formulated the "Jilin Provincial Regulation on Land Management" and the "Jilin Provincial Regulation on Management of Fishery." In accordance with the state regulations on natural protection zones, and in line with the reality of the Changbaishan Natural Protection Zone, the Standing Committee has formulated the "Jilin Regulation on Management of the state-level Changbaishan Natural Protection Zone," thus orienting the protection and management of the Changbaishan natural Protection Zone toward the path of the legal system. In accelerating urban construction and management, the Standing Committee has formulated the "Jilin Provincial Experimental Regulation on Management of Urban Real Estate," and approved the "Changchun City Regulation on Management of Urban Facilities" and the "Jilin City Regulation on Management of City Appearance and Environmental Sanitation."

2. In the field of supervising the work of the provincial government, the provincial Higher People's Court, and the provincial people's procuratorate, the Standing Committee of the provincial People's Congress has primarily grasped the following items of work:

A. . . has listened to and examined the work reports of the provincial government, the provincial Higher People's Court, and the provincial people's procuratorate and the report on enforcement of laws. Centering on improving the economic environment, rectifying the economic order and comprehensively deepening reform, the Standing Committee has listened to and examined the provincial government's reports on deepening the economic structural reform, on taking stock of companies, on the general inspection of tax, financial, and pricing affairs, on the implementation of the plan for economic and social development, and on the implementation of the budget. In examining these reports, members of the Standing Committee have affirmed achievements and offered some important proposals for solving problems, thus promoting government work.



Centering on law enforcement, the Standing Committee has listened to and examined the provincial government's reports on the implementation of the law on trademarks, the law on grasslands, the law on protection of historical relics, and the implementation of the Jilin provincial regulations on management of waterway, on management of historical relics, and on the management of charges, fines, and confiscated property. [passage omitted]

Centering on the maintenance of social unity and stability and the building of political power at grassroots level, the Standing Committee has listened to and examined the provincial government's reports on maintaining social order, on dealing stern blows to illegal publishing activities, and on building of political power at grassroots level and security work. The Standing Committee has also listened to and examined the report of the provincial Higher People's Court on the construction of people's courts throughout the province.

B. It has inspected and examined the situation on law enforcement, thus promoting the implementation of various laws and regulations. In July the Standing Committee organized eight groups to inspect and examine the implementation of the law on food sanitation and the law on environmental protection.

Last September, in coordination with the provincial law publicity leading group, the Standing Committee of the provincial People's Congress organized four teams to inspect and examine the law publicity situation throughout the province's rural areas.

C. It has organized some People's Congress deputies and standing committee members to hold dialogues with leaders of the provincial government, and through these dialogues, offered criticisms, opinions, and proposals for the work of the provincial government. Over the past year, the Standing Committee has held such dialogues on three occasions to specially discuss the questions on education, enrollment at universities and colleges, and the construction of a trade mansion in Beijing by Jilin province. After the dialogues, the provincial government put forward some new measures for solving problems with regard to education as well as university and college enrollment in line with the opinions of people's deputies; and decided to suspend construction of the trade mansion. On 20 December last year, the Standing Committee invited some NPC deputies, provincial People's Congress deputies, and members of the Standing Committee to a forum, at which some opinions and proposals concerning government work and, in particular, the arrangements for 1989 work, were raised. These deputies and members offered some criticisms, opinions, and suggestions concerning the supply of grain, agricultural production, shortage of power, punishment to "official racketeering," control over price hikes, compulsory education, and supply of goods on markets during festive periods.

D. It has strengthened petitionary work, and conscientiously handled the appeals and accusations from the masses. This is an important channel to exercise supervision over law enforcement and over various items of work. Along with the deepening of the legal education, the people's sense of law has been gradually strengthened, and the people have begun to use it as a weapon to safeguard their legitimate rights and interests. In 1988, the number of letters and visitors from the masses increased by a large margin. The Standing Committee received and handled 3,871 letters, and had 2,483 visits from the masses, 1.5 times the 1987 figure.

3. The Standing Committee has exercised the rights of appointment and removal according to law. Over the past year, it has appointed 86 working personnel of the local state organs. They are 48 personnel of the provincial government; five responsible persons of working organs under the provincial People's Congress Standing Committee; eight personnel, including deputy presidents, of the provincial Higher People's Court; eight personnel, including deputy procurators, of the provincial people's procuratorate; 13 personnel, including the president, of the Baicheng Prefectural Intermediate People's Court; four personnel, including the chief procurator, of the Sifangtunzi people's procuratorate; and four personnel, including chief procurators, of the Changchun and Jilin City people's procuratorates. At the same time, the Standing Committee has removed 11 personnel from their posts. The Standing Committee has also accepted He Zhukang's request for resigning from his post as provincial governor, and has decided to appoint Wang Zhongyu as acting governor.

4. The Standing Committee has strengthened contacts with people's deputies and with People's Congress standing committees of various cities, prefectures, and counties (cities and districts). Over the past year, the Standing Committee has primarily conducted the following several items of work:

A. It has organized people's deputies to conduct inspections and investigations with regard to the subjects discussed by Standing Committee meetings, and has provided conditions and basis for the Standing Committee to examine motions. It has also organized deputies to conduct inspections and investigations of the party's central work and the issues with which the masses were universally concerned, such as administrative honesty, educational work, price control, social order, public security, grain production, and market supply.

B. It has conscientiously handled motions, proposals, criticisms, and the opinions of deputies. The Standing Committee submitted in a timely manner the three motions adopted by the 1st Plenary Session of the 7th provincial congress to the provincial government for handling. The provincial government earnestly studied these motions, formulated measures, put these measures into effect, and reported the handling of these motions at the 7th Standing Committee meeting. At the first session

of the 7th provincial People's Congress, deputies had raised 358 proposals, criticisms, and opinions, of which 329 were handled by the provincial government, and 29 by other organs. These proposals, criticisms, and opinions were basically completed by the end of last year. Of the answers given by the departments concerned, deputies were satisfied with 43 of them, basically satisfied with 290, and dissatisfied with 25 of them, thus resulting in their handling once again.

C. To meet the demands of the current situation and the building of democratic politics, on the basis of summarizing the experiences of deputies gained over the past several years, the Standing Committee devoted its 5th meeting to adopting the decision on revising the "Regulations of the Standing Committee of the Jilin Provincial People's Congress Concerning Giving Full Play to the Role of the Provincial People's Deputies," which have set forth even more specific and definite stipulations for exploiting the role of deputies and have provided a legal guarantee for penetratingly conducting the work concerning people's deputies.

While strengthening contacts with deputies, the Standing Committee has also strengthened contacts with the People's Congress standing committees of various cities, prefectures, and counties (cities and districts). This is not only needed to strengthen and improve the work of the Standing Committee, but also to develop socialist democracy and perfect the system concerning the People's Congress. In addition to upholding the system of strengthening contacts, the Standing Committee has also strengthened the work in this regard through the following three forms:

First, it has strengthened contacts through summarizing and exchanging work experiences. Over the past year, the Standing Committee has held two provincial forums of People's Congress deputies; one provincial seminar on the theories of the educational, scientific, cultural, and public health work; and one provincial forum on the financial work of People's Congresses.

Second, it has strengthened contacts through running study classes. At the end of last year, the Standing Committee sponsored the 3d law study class, in which chairmen and vice chairmen of the People's Congress standing committees participated.

Third, it has established close ties with the People's Congress standing committees at all levels through publishing periodicals and data, such as HUIKAN [THE JOURNAL OF PEOPLE'S CONGRESS]; JILIN RENDA GONGZUO [THE WORK OF JILIN'S PEOPLE'S CONGRESSES]; RENDA XINXI [INFORMATION OF PEOPLE'S CONGRESS]; and DAIBIAO TONGXUN [INFORMATION OF DEPUTIES]; and through exchanging working situations and experiences of the provincial, city, prefectural, and county People's Congresses and their standing committees.

3. Strengthening the self-construction of the Standing Committee and its organs constitutes an important condition for perfecting the functions of the Standing Committee of the provincial People's Congress and for satisfactorily exercising various powers. Over the past year, the Standing Committee has given priority to building itself in the fields of ideology, workstyle, organization, and system.

In the field of ideological building, the Standing Committee has organized personnel and office workers to strengthen their study of theories and professional knowledge. In addition to studying the works of Marx and Lenin as well as the pertinent speeches by central leading comrades, they have emphatically studied the documents of the 13th CPC Congress and the guidelines of the 1st session of the 7th NPC.

In developing our workstyle, much attention was paid to going deep into reality to conduct investigation and study. Members of the Standing Committee as well as working personnel of the committee's organs have all conducted many investigations and studies. According to incomplete statistics, last year more than 200 members of the Standing Committee and working personnel of the committee's organs participated in the investigation and study activities, and wrote more than 50 reports.

In the field of organizational building, in accordance with the relevant stipulations of the Constitution and the Organic Law, the practice of the work of the provincial People's Congress Standing Committee, and the "Rules of Procedure of the NPC Standing Committee," the Standing Committee of the provincial People's Congress has formulated the "Rules of Procedure of the Jilin Provincial People's Congress Standing Committee" and the "System Concerning the Meeting of Chairman and Vice Chairmen of the Jilin Provincial People's Congress Standing Committee."

Fellow deputies: Since the first session of the 7th provincial People's Congress, the Standing Committee has done much work, and achieved some achievements. However, there are still quite a few shortcomings and deficiencies, and its work still lags far behind the functions and powers entrusted upon it by the Constitution and the Law and behind the expectations placed on it by the masses. Major indicators are: The local legislation work is unsuitable for the demands of improving the economic environment, rectifying the economic order, and comprehensively deepening reform; the supervisory work remains weak, frequently giving rise to the instances of refusing to observe laws, to strictly enforce laws, or to punish law breakers; the systems of the Standing Committee remain imperfect; and the work of establishing close contacts with deputies and serving deputies still need to be further improved. All of these problems should be solved in the future so that the work of the Standing Committee can gradually be codified in the form of system and law.

Fellow deputies!

The general situation of the province is good. During this new year, under the leadership of the provincial party committee, we should further improve the various functions of the Standing Committee; earnestly exercise the functions and powers entrusted upon us by the Constitution and the law; comprehensively implement the guidelines of the 3d plenary session of the 13th party Central Committee and the meeting on the People's Congress work held by the provincial party committee; strengthen the building of socialist democracy and the legal system; promote the implementation of the principles of improving the economic environment, rectifying the economic order, and comprehensively deepening reform; consolidate and develop political stability and unity, and ensure the smooth progress of the socialist modernization drive. The new situation and tasks set new demands on the work of the Standing Committee of the provincial People's Congress. Along with the development of reform and construction, the tasks shouldered by the Standing Committee of the provincial People's Congress will be increasingly heavy, and the role played by the Standing Committee in our country's political, economic, and social activities will become increasingly great. Under the guidance of the theories and line of the 13th party congress, the members of the Standing Committee and deputies to the provincial People's Congress should enhance their spirit, strengthen their confidence, and work hard with one heart and one mind. We firmly believe that the Standing Committee of the provincial People's Congress is willing and able to revitalize Jilin and make new contributions to the great cause of the socialist modernization drive of our country.

Fellow deputies, please examine and discuss my report.

#### Government Work Report

SK1804000189 Changchun JILIN RIBAO in Chinese  
19 Mar 89 pp 1-3

[Jilin provincial government work report delivered by Wang Zhongyu, governor of Jilin Province, at the second session of the seventh provincial People's Congress on 9 March 1989]

[Text] Fellow deputies:

Entrusted by the provincial people's government, I will give a work report to this session for its discussion.

#### I. A Review on the Work of 1988

In 1988, under the leadership of the provincial party committee and the party committees at various levels, governments at various levels throughout the province conscientiously implemented the principles and a series of major policy decisions defined by the party Central Committee and the State Council, mobilized the people of various nationalities throughout the province to carry

out the various tasks set forth at the first session of the seventh provincial People's Congress, and achieved new progress in the national economy and various social undertakings.

A. The national economy developed in a sustained manner, and the targets defined at the first session of the seventh provincial People's Congress were attained.

In the rural economy, we actively adjusted the production setup and the structure of the crop industry in line with the direction of comprehensive development, paid close attention to implementing various policies, relied on science and technology, and increased input, thus arousing and protecting the initiative of peasants. The agricultural output value totaled 9.286 billion yuan, a 5.4 percent increase over the preceding year; total grain output reached 16.93 billion kg, setting an all-time record; and the grain marketable rate, per capita amount, the amount of corn transferred outside the province, and the amount of corn exported all ranked first in the country continuously, fairly successfully fulfilling the tasks to transfer grain outside the province and to export grain. Cash crops showed growth, and new progress was achieved in forestry, animal husbandry, sideline production, and fisheries. The output value of township enterprises totaled 10.67 billion yuan, surpassing the agricultural output value. The per capita income of peasants increased. Infrastructural work, such as farmland water conservancy projects, farm mechanization, science and technology popularization networks, grain storage and storage and management, and agricultural meteorology, was further strengthened.

In industrial production, we actively adjusted the structure aiming at improving economic results, and paid close attention to large profit-tax deliverers and the work to stop deficits and increase profits, thus achieving fairly good economic results. Calculated in terms of constant prices, the annual industrial output value came to 34.09 billion yuan, an increase of 17.9 percent over the preceding year; the sales income of budgetary industrial enterprises showed an increase of 28.2 percent, and their profit-tax an increase of 40.7 percent. Large profit-tax deliverers whose profit-tax exceeded 1 million yuan each increased from 324 to 369, and the deficits of local budgetary industrial enterprises showed a decline of 28.8 percent from the preceding year. Backbone industries, such as the auto industry and the petrochemical industry, and electronic, medical, tobacco, and light industries expanded fairly rapidly; the output of steel, pig iron, tractors, pesticides, television sets, crude oil, and coal increased; the volumes of communications, transportation, and railway cargo and passenger delivery all showed growth; and post and telecommunications developed continuously. The economic results of enterprises improved, thanks to the efforts to upgrade product quality, to achieve notable progress in developing new products, and to improve management. Compared with the preceding year, the profit-tax rate of funds of industrial enterprises rose by 4.2 percent, their profit-tax rate



of sales by 1.7 percent, and their per capita productivity by 12.6 percent. Their comprehensive energy consumption per 10,000 yuan of output value declined by 3.9 percent.

The pattern of investment in fixed assets improved, with key projects reinforced. Planned capital construction investment totaled 3.08 billion yuan, an increase of 23.7 percent over the preceding year. Adjustment in the investment pattern helped expedite the construction of energy, communications, raw materials, other large and medium-sized basic industry projects covered by the state plan, and some technical transformation projects. The Jilin Heat and Power Plant, Changshan Power Plant, Hunchun Power Plant, Lushuihe Shaving Board Plant, Jilin Paper Mill, Songyuan Brewery, the expansion of Siping Station, the Tumen-Hunchun highway, the Changchun City second water source project, and four other projects were completed and commissioned totally or in part. Thanks to this, last year marked a year with a fairly large number of large and medium-sized projects completed and commissioned. Meanwhile, a group of key enterprises were renovated on a priority basis, thus upgrading their technological, equipment, and production levels, and enhancing their strength for sustained economic development.

Commodity circulation was active and the urban and rural markets thrived. The construction of circulation networks, including the commercial, grain and supply, and marketing networks, was further developed and a group of markets to sell agricultural and sideline products, light and textile products, and capital goods were set up; the supply of commodities increased, the sales of commodities increased comprehensively, and trade fairs became increasingly thriving. The province's total retail sales of commodities in society reached 20.2 billion yuan, and the total transactions at urban and rural fairs were valued at 3.234 billion yuan, showing an increase of 24.1 percent and 34.4 percent respectively over the previous year. Except for a small number of expensive durable consumer goods and the means of production, the supply of most commodities was guaranteed. Under the situation in which there was a serious shortage of funds, the broad masses of peasants took the whole situation into account and understood the difficulties of the state. The grassroots cadres did much work and prefulfilled the grain, agricultural, and sideline products purchasing tasks.

The financial departments throughout the province continued to achieve a balance between revenues and expenditures with a small surplus. We further improved the financial management system. The provincial authorities implemented among cities and counties the financial contract method of "determining the revenue and expenditure quotas, contracting the responsibilities to each level, increasing the fixed-quota financial delivery at a progressive rate, and reducing the fixed-quota financial subsidies" which would remain unchanged for 5 years. They also mobilized the enthusiasm of all levels to

create, collect, and manage financial resources. The tax department strengthened tax collection and management work, handled taxes in line with the law, promoted production and increased tax revenues and better fulfilled the annual tax collection task. The province's financial revenues reached 4.332 billion yuan. If calculated in terms of comparable standards, the revenues increased 14.9 percent over the previous year. The financial expenditures were thus brought under control. Under the situation in which the state tightened up its financial supply, the people's banks at all levels and special banks actively organized savings deposits, granted loans, opened up money markets, promoted the flow of rationally used funds through various channels, strengthened cash management, organized the withdrawal of currency from circulation, and made active efforts to ease the strained situation in funds and to support economic development. The insurance business continued to develop and played a positive role in stabilizing the economy and the people's livelihood and in combating disasters and preventing losses.

B. Reform continued to deepen and new strides were made in opening to the outside world and developing the economy.

Enterprise reform was further deepened and new progress was made in implementing the contract system. About 93 percent of the province's budgeted industrial enterprises implemented the contract system, 46.3 percent of the enterprises opened competitive bidding to managers, and 25 percent implemented the all-people mortgage contract system. They also correspondingly reformed the distribution system and developed the competitive mechanism of relying on competition and one's contributions to seek a post or income. Enterprises implemented among themselves the systems of "cooperation, contracting and leasing, mergers, and buyouts," and organized and established a group of enterprise associations and groups. Some enterprises contracted other enterprises and some enterprises merged and auctioned off small industrial and commercial enterprises. A total of 93 industrial and commercial enterprises were given a free hand in management. This promoted a rational enterprise organizational structure and a rational flow of the essential production factors. We also achieved definite achievements in the reform of other systems which were related to the deepening of enterprise reform, such as the reform of the planning, financial, banking, material supply, and power supply systems and created conditions for improving the external operational environment of enterprises. In rural reform, we further improved the family-based output-related contract responsibility system and achieved good results in improving the market mechanism and readjusting the production set-up.

New progress was made in developing economic cooperation and foreign trade. Our province has already established economic cooperation with 28 provinces and

cities and more than 100 prefectural-level cities, developed technology and new products, and brought in trained personnel. The province as a whole newly developed 1,978 cooperative items which created 2.22 billion yuan in output value and 450 million yuan in profits and taxes; an increase of 110 percent and 130 percent respectively over the previous year. We cooperated with some coastal provinces and cities to develop export-oriented enterprises to produce products for export and increased \$37.41 million of foreign exchange through export.

Good results were achieved in foreign trade and foreign economic relations in the process of deepening the structural reform. Foreign trade departments earned \$530 million through export, an all-time record, and the export commodity mix showed improvement, the comprehensive cost of earning foreign exchange was reduced, expenses declined, and deficits dropped. The level of technology imports was raised, and foreign capital utilization also developed to a fairly large extent, with contracted transactions equivalent to 50 percent of the total of the preceding 8 years. In addition 50 projects to earn foreign exchange through exports were developed. Construction of the outlets of trade with the Soviet Union is under way and new progress was made in trade and economic and technological cooperation with the Soviet Union.

Regional development expanded step by step. We established the Qianfu economic development zone, the Meihekou trade zone, the Jian open zone, the Hunchun economic development zone, and the Changchun "south-south" high-technology park zone. These development and open zones have formulated plans and corresponding policies to speed up their construction.

C. Initial results were achieved in improving the economic environment and rectifying the economic order.

Following the guiding principles and various requirements put forward by the central authorities, the provincial government worked out some dozen specific plans one after another to control prices, reduce fixed asset investment and institutional purchases, and straighten out companies and the circulation order on a priority basis, thus gradually eliminating the phenomenon of economic chaos. It adopted measures to stabilize the grain market, ensure the fulfillment of the state contracted grain purchasing tasks, and check the rise in grain prices. It made public the prices and price ceilings of 21 daily necessities for the people at regular intervals, rectified the prices of the important means of industrial production in short supply, exercised exclusive control over major means of agricultural production, and intensified price supervision and inspection, thus alleviating price hikes in the province. In line with the principle of controlling the total number, adjusting the structure, and ensuring some while curtailing others, it suspended and postponed 113 construction projects reducing investment by 360 million yuan. It strengthened control over institutional purchasing quotas, expanded the scope of

goods under special control, and centralized the power for screening and approval, thus fulfilling the task of reducing annual institutional purchases by 20 percent. In line with the principle of separating government functions from business management, independent accounting, conducting business according to law, and paying taxes according to regulations, it emphatically straightened out 6,417 companies throughout the province. By the end of 1988, 3,033 companies had been cleaned up and straightened out. The problem, of mixing government functions with business management and of government with commercial undertakings, began to be solved with 85.8 percent of incumbent and retired cadres resigning from their posts at companies. The provincial government put on file for investigation, 75 companies whose illegal funds exceeded 10,000 yuan each, and publicly dealt with a number of them. A total of 554 companies were disbanded. With the assistance and guidance of the State Council work group, the province achieved fairly good results in large-scale tax, finance, price, credit, and cash inspections.

D. We strived to arrange commodity production and supplies to stabilize the people's lives.

All localities paid close attention to the people's "vegetable baskets" to make them full. Urban vegetable growing areas totaled 1.35 million mu. The amount of supplied vegetables was fairly sufficient, the variety complete, and the prices of ordinary vegetables fairly stable. The grain market was stable, and supplies were basically guaranteed. Corresponding measures were adopted to arrange the production of daily industrial goods needed in the people's lives, with energy resources and raw materials being supplied to it on a priority basis, thus increasing effective supply. Construction of commercial housing developed to a fairly large extent, and the housing conditions of some people improved. Thanks to increased urban public facilities, shortages in water and gas supplies and strained transportation were eased. The development and construction of minority nationality areas were further accelerated, and proper arrangements were made for the food, clothing, and housing supplies to the people of disaster areas. With economic development, living standards of the people in impoverished and backward areas also showed improvement to varying degrees. A great number of jobless people were placed. Governments and the society attached importance to social insurance and welfare, and showed more concern for childless, elderly, sick, and disabled people.

E. Scientific and technological education was further strengthened and new progress was made in developing all social undertakings.

Various cities, prefectures, and autonomous prefectures throughout the province formulated outlines for relying on science and technology to invigorate the economy. Cities and counties also established scientific and technological development funds totalling 37.5 million yuan.

The provincial authorities also set up funds for doing pioneering work, thus initially forming a system to support scientific and technological development with funds. We added 49 scientific and technical workers to serve as deputy county heads or mayors and strengthened leadership over scientific and technological work. Through deepening the scientific and technological structural reform, we instilled new vitality into scientific and technological development and the dissemination, application, and conversion of scientific research findings. The province as a whole had 600 various types of scientific and technological development and service organs, 363 scientific research and production associations, and 13 permanent technology markets. More than 30,000 scientific and technical workers went deep into the rural areas and enterprises to render scientific and technical services or to contract technical items. Through conducting joint research projects to tackle scientific and technical problems and implementing the "spark plan," we initially established scientific and technological model enterprise groups to produce 10 major series of products. Last year these products added more than 300 million yuan of output value and created more than 100 million yuan of profits and taxes and more than \$16 million of foreign exchange. During the year, we achieved 467 provincial-level scientific and technological findings, succeeded in winning 341 state-approved patents, and 15 state awards for scientific and technological progress. At the Beijing international invention exhibition, 23 items from our province won medals, of which 7 were gold medals. Social science application and research were further strengthened and played a positive role in reform and opening up.

Educational undertakings received further social concern and support. The governments at all levels exerted strenuous efforts to run education and succeeded in steadily developing all educational undertakings. In 1988 the provincial financial departments at all levels throughout the province spent 766.32 million yuan on educational undertakings. If calculated in terms of comparable standards, the increase was 18.6 percent over the previous year. During the year a total of 541,000 square meters of primary and middle school housing areas were built. About 93.9 percent of the school houses were built of brick and tile. In improving the teaching conditions, a group of cities, counties, and townships were willing to make investments and succeeded in conducting educational projects quickly and achieving big changes. The province collected 34.31 million yuan from various quarters and used it for building residential houses for primary and middle school teachers in cities and towns, completed 125,000 square meters of housing areas, and solved the housing problems of 2,252 households of teachers in cities and towns. The 9-year compulsory education was steadily implemented. The school admission rate of school-age children throughout the province reached 98.5 percent. The system of placing schools run by cities, counties, and townships under the management of the county and township authorities was further improved. We gradually deepened educational reform;

carried out the work in close connection with the rural economic development; defined the tentative plan and objective of the educational system, which combined rural elementary education with vocational and technical education and adult education; and formulated an integrated implementation plan. We designated the first group of 27 model key experimental vocational senior middle schools, and strengthened the cultivation and training of vocational and technical school teachers. Some primary and middle schools began to try out the system of having school principals assume responsibility, the teacher employment system, the system of contracting the total payroll, and the structural wage system, and intensified the vitality of schools. In higher education, in line with the needs of economic construction, we continued to strengthen teacher-training and engineering education, readjusted the agricultural course, and accelerated the training of specialized medical personnel; reformed the enrollment system and the assignment system for graduates and expanded the ratio of enrolling students to be trained on contracts with employers; established a group of associations that integrated teaching with production and scientific research; and intensified our ability to cope with economic construction on our own initiative.

Medical and public health undertakings advanced course of reform. We further implemented all five the responsibility system, mobilized the enthusiasm of the broad masses of medical workers, and achieved new progress in preventing disease, improving water quality, and conducting patriotic public health campaign. We had an increase of 2,985 public health workers and 2,800 hospital beds. In family planning work, we implemented the responsibility system of management by objective, strengthened the building of grassroots service networks, and intensified our ability to bring family planning under control. Based on a sample survey, the province's natural population growth rate was 12.7 per 1,000, which was lower than the national average. Environmental protection work was strengthened and certain achievements were made in handling the "three wastes" and preventing pollution.

The level of earthquake monitoring was upgraded. Mass sports activities were vigorously launched and athletic events tended to flourish even more. In 1988, our province's athletes won two world championships and seven of them ranked in the top 6 among world athletes. Radio and television, cultural and art, and press and publication units made contributions to enriching the people's spiritual life and facilitating the development of both spiritual and material civilizations. New progress was made in archive work. Civil air defense projects brought their role into play in the course of economic development. Foreign and overseas affairs and tourist trade developed through expanding the scale of opening to the outside world, enhancing friendship with people in foreign countries, and facilitating economic and cultural exchanges. We scored good results in civil administration in terms of providing relief to disaster-stricken



people and supporting the poor. New progress was made in promoting unity between various nationalities. The socialist nationality relationship characterized by equality, unity, and mutual assistance was consolidated with each passing day. Attention was paid to the work concerning religions.

F. We strengthened the construction of democracy and the legal system and maintained a stable social environment.

The democratic air tended to become more vigorous during the past year. We started to carry out the method of making government affairs visible to the public and to set up, on a preliminary basis, the social consultative and dialogue system.

In the course of reforming the price and wage systems, improving the economic environment, and rectifying the economic order, leading comrades of the governments at various levels held direct dialogues with cadres and the masses, carefully heard their opinions and suggestions, and strived to gain the masses' understanding and support of the government work. The work to answer letters and receive visits from the masses was intensified. This helped narrow the relationship between the government and the masses. The setup of the legal system was placed on the work agenda of the government. While applying administrative and economic means to manage the economy, we started to apply legal means to manage the economy. In the course of setting up the government legal system, we set forth and formulated a number of local rules and regulations on conducting reforms, opening to the outside world, improving the economic environment, and rectifying the economic order; paid prominent attention to the enforcement of law; launched the campaign of examining the enforcement of law; gradually brought the economic work into the orbit of the legal system; and ensured in a step-by-step manner that social activities were launched in the light of law. Supervision over administrative work was enhanced. Lawyers and notaries provided general services. The province's public order was basically stabilized through deepening the activities of dealing strict blows to serious criminal offenders and serious economic criminals. Under the situation in which the old systems were replaced by the new and there were comparatively more social contradictions, and in line with the principle through which whoever takes charge of a task should assume the responsibility, we comprehensively improved social order and alleviated and eliminated some social contradictions. Some criminal cases were avoided thanks to the fact that the judicial departments had mediated in the quarrels between people. The organs for enforcing and supervising the economic law, including the auditing, industrial and commercial, pricing, statistical, tax, customs, commodity inspection, metrological, and standardization units, did a lot of work and brought their roles into play in regard to protecting legal activities, investigating and handling illegal activities, dealing blows to criminal activities, and safeguarding public order.

While firmly attending to the fulfillment of all tasks, the provincial government also set up a committee for guiding the strategic study work and organized forces on all fronts to firmly attend to the study and formulation of economic development strategies. Through revisions on several occasions, the "Jilin Provincial Economic, Scientific, Technological, and Social Development Strategy" was approved in principle at the 2d Plenary Session of the Fifth Provincial CPC Committee. This played a key role in guiding the province's long-term development.

Fellow deputies, the work achievements made by the province during the past year resulted from the concerted efforts of the governments at various levels and the people of various nationalities under the leadership of the party Central Committee, the State Council, and the provincial party committee. The provincial People's Congress Standing Committee and the people's deputies positively supported and supervised the work of the government; the provincial Chinese People's Political Consultative Conference [CPPCC] Committee, democratic parties, nonparty compatriotic figures, and various mass organizations warmly helped the government work; the People's Liberation Army [PLA] units stationed in the province, the provincial military district, and armed police forces made prominent contributions to the province's two civilizations. On behalf of the provincial people's government, I express lofty respect and heartfelt thanks to them.

When reviewing the work of the past year, we should also remain clear-headed enough to note the current difficulties and the problems in our work. Price hikes were conspicuous. Since August of last year, prices have risen substantially every month. According to a survey of 429 commodities, the prices of 95 percent of the commodities rose, and the annual average retail price index rose by 19.9 percent. Due to price rises, panic buying appeared for a certain period, which drew the attention of the entire society, caused serious restlessness among the people, and made the living standards of some people drop. Demand outstripped supply, the phenomenon of economic shortages was aggravated, and the supplies of energy resources, raw materials, transportation facilities, funds, and foreign exchange were very strained. Since October of last year, the capacity of the northeast power grid has been able to meet merely 65.5 percent of the demand. Despite efforts to tap the potential of various areas and to increase electricity output, shortages were still great, making many enterprises suspend production totally or partially, reducing the industrial growth rate, and affecting the power supply to the people. Credit funds were in short supply to a serious extent. Last year the province needed to increase 5.2 billion yuan of credit funds but the savings available of various banks totaled merely 2.3 billion yuan, hence there was a shortage of 2.9 billion yuan. Despite state support, the efforts of various banks to raise funds from various sources, and the efforts of various localities to

enliven funds shortages have yet to be alleviated radically. Due to a lack of funds, many enterprises were unable to buy the raw materials they urgently needed. Some localities gave "white notes" instead of money when purchasing farm and sideline products, creating many practical difficulties for the production and lives of peasants. A considerable part of the economic growth of our province was supported by over issuance of funds and price rises, and therefore fund retrenchment and price control were bound to affect the growth in output value and economic results. In January of this year, due to continued shortages of energy resources and funds, the industrial output value showed only a 2.7 percent increase over the corresponding period last year. A considerable number of persons will become jobless because of the suspension of some capital construction projects and the production of some enterprises. Science and technology were not closely linked to the economy, popularization of scientific research findings was not adequate, and science and technology have yet to develop their full potential. Education funds were insufficient, the contingent of teachers was not stable, the educational structure was not rational, and some teachers and students disliked teaching and discontinued schooling. All these problems need to be solved as soon as possible. In social life, factors leading to instability and public security problems increased, the incidence of major and appalling cases rose, and some ugly phenomena that had been stamped out for many years grew. Corrupt phenomena among some personnel holding public office have yet to be checked effectively. This aroused dissatisfaction among the masses, and efforts to maintain honesty in official duty performance were pressing. The basic reasons for the contradictions and difficulties in economic activities and social life were economic overheating and demand outstripping supply. When reviewing the government work, major factors for this were the idea of demanding quick results in economic development, too much consideration for needs, a lack of sufficient estimation of restricting factors, too much consideration for microeconomic enlivening, and ineffective control over the macroeconomy, which caused loss of control over extra-budgetary capital construction. A total of 106 small projects which consumed great amounts of energy were started in the past few years, aggravating the contradictions between supply and demand. In the process to replace the old system with the new, we lacked necessary mental preparations and corresponding countermeasures for possible contradictions and problems, and despite plenty of work, have yet to solve once and for all such problems as price hikes, economic shortages, and unfair distribution. In socialist construction we did not pay adequate attention to political and ideological work when attending to economic construction, and failed to check the unhealthy phenomena in society. We held meetings and issued documents for much of the government work, but failed to truly carry the work out. This showed our inadequacy in going deep into reality of life to conduct investigations and study, and in genuine efforts to perform work. We

should firmly rely on the forces of various quarters throughout the province and adopt effective measures to solve these problems step by step.

## II. The Tasks and Work Arrangements for 1989

In line with the guidelines of the 3d Plenary Session of the 13th CPC Central Committee and the plans of the 2d Plenary Session session of the fifth provincial party committee, the basic tasks of our province for this year are: We should focus our work on improving the economic environment, rectifying the economic order and comprehensively deepening reform; expand the opening up; readjust the economic structure; actively increase effective supply; improve people's livelihood; maintain a stable and united social environment; and promote steady and coordinated development in economic construction and all social undertakings. Under the plan, the total agricultural output value should increase 4 percent over last year, the total industrial output value, 8 percent, and the gross national product (GNP), 7.5 percent. The scope of investment in fixed assets of the whole society should be controlled at 7 billion yuan, a decrease of 2 billion yuan from last year. Under the financial plan, revenues should reach 4.443 billion yuan. If calculated in terms of comparable standards, we should strive to achieve an 8 percent increase over last year and strive to achieve a balance between revenues and expenditures. The increase in the retail price index should be notably lower than that of last year.

A. We should improve the economic environment, rectify the economic order, and cut back the rapid increase in social demands.

Keeping the scope of price hikes notably lower than last year's level is an important symbol of stabilizing the economy. At present, the prices are basically stable. Although there is the factor of effective supply, we should recognize that this is mainly the result of strengthening administrative management and increasing financial subsidies and that it will not be stable. This year's price situation will be rigorous and the difficulties in work will be great. We should adopt a resolute attitude, formulate effective measures, and realize the objective of "keeping the price increase notably lower than that of last year," in an effort to stabilize the market and reassure popular sentiments. In strengthening price management and consolidating the price order, we must grasp the key points. We should mainly grasp the production of nonstaple foods and products essential for the people's livelihood, industrial and agricultural capital goods, and building materials for special use. This year we will not expand the scope of products whose prices are decontrolled in principle, but forbid the people to overstep their power to fix or readjust prices. We should narrow the scope of unauthorized price rises. Through increasing effective supply and strengthening management, we should stabilize the prices of grain, edible oil, vegetables, manufactured goods for daily use and people's daily necessities, and stabilize the prices of major

industrial and agricultural capital goods and building materials specially used by rural areas by placing sales under exclusive state control and by adopting the method of unified management, setting prices and the price-increase rate. We should also set a price ceiling for some major commodities such as pork and negotiated-price grain and oil, and set the lowest protective prices for certain products. Our province has imported a considerable amount of daily manufactured goods from other provinces. We should formulate related price management methods in an effort to reduce influence on market prices in the province. We should control the prices of key commodities whose prices are adjusted, implement the system of reporting prices to the higher authorities, and play the role of state commercial units in stabilizing prices. We should continue to consolidate wholesale links. In a city, the same kind of products should not be subject to wholesale twice in order to guarantee a stable retail price. We should adopt feasible methods to ease the prominent price contradictions in some commodities whose prices are irrational and some service charges whose standards have also been irrational for a long time on the premise of not greatly affecting the price level in order to promote the development of production. To control prices, we should continue to implement the system of having leaders at all levels assume responsibility and implement the price-control targets at all levels. It is necessary to persist in conducting general price inspection, publicly handle cases of violations of pricing policies, and deal blows to illegal acts such as cheating and dominating the market and forcing up prices. We should make public the retail prices of some major commodities and the standard of service charges, place ourselves under mass supervision, and gradually establish the price supervision system which combines the self-supervision of enterprises and establishments with supervision given by the professional responsible departments on their own initiative, the supervision given by the law-enforcement departments in line with the law, and the voluntary supervision given by consumers.

We should resolutely curb the scale of investment in fixed assets, rationally readjust the investment structure, adhere to construction of key projects, and ensure the commission of completed projects. This year the province's investment in capital construction will be reduced. Therefore, we should optimize the investment direction of funds within the amount prescribed by the state and should resolutely cut, on the basis of screening the projects under construction, those industrial projects that scramble for energy resources, funds, and raw and semi-finished materials with key projects and important products and those ill-considered projects whose economic efficiency is poor, whose products are of poor quality, and which produce products in excessive supply. Priority should be given to ensuring the continued construction of those projects in the fields of agriculture, energy, transportation, important raw and semi-finished materials, and education, which can be put into production within this year. At the same time, we should make

good arrangements for building the basic urban facilities. This year, the province will no longer initiate construction of new office buildings, auditoriums, guesthouses, and hotels. Technological transformation should be arranged, on a priority basis, for those projects which have been incorporated into the state plan and whose construction has been restricted by the state, primarily including motor subsidiary projects, petrochemical industry projects, the production of scarce raw and semi-finished materials, the intensive processing of grain, the production of exports for earning foreign exchange, and items which can withdraw a huge amount of currency from circulation. The continued large and medium-sized capital construction projects, the power industrial projects, and the energy-conserving projects, which are being built in the province in line with the state arrangement, have a bearing on the momentum for the further economic development. Therefore, we should concentrate our efforts, and strengthen the coordination among different departments to accelerate the construction of these projects. On the basis of conducting an overall screening of the investment in fixed assets, we should strengthen the management of extra-budgetary funds, and should exercise supervision over finance. For the extra-budgetary funds of administrative establishments, we should introduce the methods of "being deposited with special accounts, being subject to planned management, undergoing examination and approval by financial departments, and being subject to supervision by banks." For the extra-budgetary funds of state enterprises, we should implement the methods of "planned management and guidance through policies."

We should control the increase in consumption funds. We should continue to deepen reform, perfect efficiency and the wage system, and strengthen the self-restraint mechanism of enterprises. By exploiting the functional role of tax collection in regulating the economy and exercising supervision and management over the economy, we should strengthen the management of bonus taxes, the wage regulatory tax, the personal income regulatory tax, and the special consumption tax. We should control nonproductive expenditures. The public operating expenses of administrative establishments should be curbed by 5 percent from the real figure of 1988. No additional administrative organs should be set up, and the size of existing administrative organs should not be expanded this year. Strict control should be exercised over the scale and standards of the issuance of bonuses, subsidies, and labor insurance disbursements. We should resolutely curb the portion of seriously wasted consumption by institutions. This year the provincial institutional purchases should be cut by 20 percent from the 1988 figure. We should strictly carry out examination and approval of the commodities which are under special control, and should strictly control the purchase of cars.

We should continue to consolidate order in the circulation sphere. We should successfully take stock of unnecessary companies from start to finish, should define the



business scale of companies of various kinds, should check the illegal dealings, and should exploit various companies' role in invigorating circulation. Those problems revealed in the drive of improving the economic environment and rectifying the economic order should be verified, investigated, and handled group by group in order to strictly enforce administrative and legal disciplines. We should continue to consolidate wholesale departments, strengthen market management, and gradually establish a normal order in the circulation sphere.

B. We should maintain appropriate growth in the economy, strive to increase effective supply, and strive to achieve new progress in readjusting structure and improving efficiency.

This year, the province's economy should strive for development amid stability and strive for better efficiency amid readjustment. We should not only firmly submit ourselves to state macro-control, but also make positive and sound arrangements within the limited scale; should not only effectively control the overheated economic growth, but also prevent economic stagnation and swelling; and should not only strive to overcome the practical problems stemming from the tightening up of finance, but also taking full advantage of the opportunity of improving the economic environment and rectifying the economic order. We should work hard to open up a new path for sustained and stable economic development in the province.

First, we should maintain sustained economic growth, increase effective supply, pay attention to grain production, and comprehensively develop the rural commodity economy. This is the foundation for ensuring the stability of the province's economy.

In agricultural production, this year we should emphatically attend to the production of key products, including grain, hogs, vegetables, and light industrial materials. We should strive to realize the development target of producing 17 billion kg of grain in the normal harvest year. We should make great progress in animal husbandry. We should regard 1989 as "the year of animal husbandry" to promote rural economic development, ensure a sufficient supply of pork within 3 years, and strive to prefill the target of being self-sufficient in pork by 1990. This year we should ensure the production of 300 million kg of oil-bearing crops, 2 billion kg of sugar crops, and 45,000 tons of cured tobacco, and catch more than 60,000 tons of fish. Town and township enterprises should further be consolidated and developed through improving the economic environment and rectifying the economic order. To realize the aforementioned targets, we should open various channels to increase agricultural input and give priority in ensuring the development of agricultural and agricultural aid projects in the course of improving the economic environment and rectifying the economic order. Meanwhile, we should positively guide and encourage the peasants to increase investment in agricultural production. With regard to increasing the

investment in science and technology, we should proceed from the reality of the rural areas to popularize and apply agricultural sciences and technologies. We should continue to attend to the construction of farmland water conservancy projects; prevent flood and waterlogging disasters; improve conditions for production; intensify water and soil conservation; reasonably develop, utilize, and protect water resources; increase the production of chemical fertilizer; encourage the peasants to positively increase the application of farm manure and to improve and cultivate low- and middle-yield soil; and strive to enhance the reserve strength for agricultural development. We should adopt measures for lightening the peasants' burden and protecting their enthusiasm for growing grain. We should pay full attention to improving the ecological environment; and continue to attend to tree planting and afforestation, end serious forest fire accidents, and protect forest resources in order to make Jilin green within 10 years. We should strictly end the reckless land use approval and occupation of land and achieve land management. It is necessary to strengthen scientific weather forecast work to serve the work of combating disasters and reaping bumper agricultural harvests. We should increase the production of 21 people's daily necessities, including matches, soap, washing powder, and sugar, and durable consumer goods; the production of 8 agricultural aid products, including chemical fertilizer, plastic sheeting, and tractors; the production of 11 energy resources and raw materials, including coal, crude oil, electricity, steel, pig iron, and cement; and the production of intensive processed and high value-added export products. We should realistically attend to key industrial enterprises in order to promote industrial production. Under the serious strains on funds, energy resources, and raw materials, we should attend to the production of key trades, key enterprises, and key products; and key enterprises should guide small and medium-sized enterprises to ensure a stable industrial production increase in the province.

Second, we should exert efforts to readjust the economic structure. The contradictions in the province's economic structure are factors seriously restricting stable economic development and the increase in economic results. Through readjustment of the economic structure, we should shift the focus on economic growth from principally relying on the input of funds and the workforce to relying on technological progress and improvement of the quality of the labor force. In agriculture, we should appropriately increase the paddy rice, soybean, and oil-bearing crop growing areas. While emphatically developing hog production, we should vigorously develop the production of cattle, sheep, chickens, fish, and commercial livestock. Town and township enterprises should emphatically attend to technological progress and the readjustment of product mix; place the development of the breeding industry in a prominent position; vigorously develop farm and sideline product processing industries, labor intensive industries, and enterprises with the capacity to create foreign exchange through exports; and reduce the processing industries

with poor economic results, high energy consumption, and serious pollution. Industrial enterprises should focus on readjusting product mix, industrial structure, and enterprise organizational structure. We should increase the production of readily marketable products; develop new products in short supply; develop foreign exchange-earning export products; restrict the production of the products whose demand outstrips supply, whose consumption is high, whose quality is poor, and whose economic results are low; and regard the development of new products and import substitution as important aspects of readjusting the product mix.

We should strengthen basic industries, such as energy and raw material industries, and the construction of infrastructural communications and telecommunications facilities; expedite the development of backbone industries, such as petrochemical and auto industries, and exert more efforts to develop the related industries in support of them; actively develop food and medical industries, comprehensive utilization of timber, and other superior industries; and attach importance to the development of high-tech industries. We should facilitate the optimal reorganization of enterprises through association and merger. We should formulate industrial policy as soon as possible, and finance, credit, investment, and taxes should play their encouraging and restricting role in line with the industrial policy.

Third, we should ensure key production and construction projects, and achieve new progress in improving economic results. In the process of improvement and rectification, we should emphasize key projects if we are to maintain an appropriate economic growth and stable improvement in economic results. 1) As far as the entire province is concerned, we should ensure the development of key enterprises. The planned increase in the number of budgetary industrial enterprises whose profit-tax exceeds 1 million yuan each this year is 400, an increase of 31 over the preceding year. 2) We should ensure key construction projects. We should actively support the construction of the Qianfu, Hunchun, Meihekou, and Jian economic development, open, and trade zones, and the Changchun "south-south" high-tech park zone; ensure the construction of marketable grain bases, the transformation of low- and medium-yield farmland, and the agricultural science and technology popularization projects; ensure the 19 large- and medium-sized continued construction projects covered in the state plan, the technical transformation projects arranged by the state plan, the petroleum and natural gas geological prospecting projects, and resources conservation and comprehensive utilization projects; and ensure educational investment projects. 3) We should ensure the projects to be continued, and pay attention to completing the projects under construction, and putting completed projects into operation so that they can yield results at the earliest possible date.

In carrying out economic work, we should exert great efforts to improve efficacy, efficiency, and benefits. We should attach importance not only to input but also to

output. We should pay attention not only to the output value and the profit-tax we have created but also to the input and output. Only high output from little investment can be regarded as true economic results. In appraising enterprises, we should regard as the major targets the profit-tax rate of funds, profit-tax rate of sales, per capita productivity, cost reduction rate of comparable goods, and comprehensive energy consumption rate of industry.

Fourth, we should adopt all possible means to activate funds, strive to invigorate monetary work, and achieve a balance between revenues and expenditures. We should make good arrangements for this in line with the state policy of credit and financial retrenchment. Because funds will become increasingly strained throughout the province this year, we should expand fund resources within the scope of the limited supplies to increase our regulatory ability. Governments at various levels should attach importance to savings deposits, and mobilize forces throughout society to increase savings and withdraw currency from circulation. We should greatly advocate lateral money lending, recall bank loans in a timely manner, reform fund accounting methods, and accelerate the turnover of funds. We should adjust the credit pattern, and optimize the direction of fund input to reduce irrational funds, use the funds where they are most needed, and ensure that normal and reasonable demands for funds are met. We should strive to tap the potential of funds, raise the fund utilization rate, and activate the funds for finished products, the funds for dispatched commodities, and advance payments that should be collected. We should strengthen management of the funds of nonbanking organs. We should apply management by objective to the profits retained by the enterprises operated under contract, and set aside a certain proportion of the profits to replenish their own circulating funds. Enterprises may issue internal short-term bonds. With regard to key profit-making enterprises, we should assess their funds and determine the amounts of their loans accordingly and try out the method of management by objective to manage their circulating funds. We should improve "in-plant banks," and strengthen the internal fund management of enterprises. We should greatly develop insurance business, and use the funds well to support economic construction. Due to the state adjustment of the revenue distribution policy, most parts of the reduction in revenues and increase in expenditures have to be born by localities. In addition, our province's expenses in support of agriculture, education, science and technology, and in improving the people's living standards will increase this year. Therefore, the province will have great difficulty in achieving a balance between revenue and expenditure.

We should continue to improve the financial contract system, support the development of production, increase financial revenues, curtail financial expenditures, and strive to make the financial departments at all levels achieve a balance between revenues and expenditures. In our province's economic work, we should keep our eyes

on tapping potential, creating revenues, and increasing production and revenues. While guaranteeing a steady production increase in major profit and tax delivery households, we should grasp the work of making enterprises end deficits and increase profits. We should strive to make them reduce operational deficits by 40 percent, policy-related deficits by 10 percent, and the deficits of money-losing products produced by profit-making enterprises by 20 percent. Industrial enterprises should curtail the "expenses for two purposes" by 10 percent. While actively cultivating the sources of taxes and selecting the targets of support, we should strictly manage the collection of tax revenues and reduce the loss of tax revenues. We should readjust the expenditure structure, strengthen management over expenditures, resolutely reduce meeting funds, cut back the expenditures on financial subsidies and further strengthen management over extra-budgetary funds. The financial departments at all levels should guide and control the use of funds. It is necessary to clean up unwarranted charges and all kinds of "small treasuries," and stop all irrational expenditures. We should do a good job in conducting regular financial and tax inspection and management and strictly observe financial and economic discipline.

C. We should persist in focusing the work on invigorating enterprises and comprehensively deepening reform.

Improving the economic environment and rectifying economic order do not mean changing the principle of reform and opening up. Instead, they mean overcoming the difficulties on our road of advance and to deepen reform to a further extent.

First, we should deepen enterprise reform, conscientiously implement the "enterprise law," gradually bring the business activities of enterprises back within the law, protect enterprises' legal rights and interests in line with the law, continue to use supporting measures to improve and perfect the contract system, accelerate the change of enterprise operational mechanism, extensively introduce competition, select the best managers, actively promote the all-people risk-taking mortgage contract system, and link the risks of managers closely with the risks of all workers and staffers. We should make continued efforts to promote and improve the method of basing an enterprise's total payroll on its economic performance, make the wage increase of workers mainly depend on enterprises' economic results and the improvement in labor productivity, select some units and give them a free hand in management, and enable enterprises to realistically attain the goal of doing business independently, assuming full responsibility for their profits and deficits and maintaining self-regulation. We should successfully carry out the internal supporting reform of enterprises, continue to grasp the reform of the organizational set-up, the personnel system, the labor system, and the distribution system; mobilize the enthusiasm of all quarters' and raise labor productivity. It is necessary to promote enterprise mergers and the transfer of property rights

with compensation, develop lateral economic cooperation and enterprise associations, promote the rational distribution of the essential production factors, and take active and reliable steps to try out the stocksharing system with public ownership as the mainstay.

Second, we should promote step by step all reform measures that are important to improving the economic environment and rectifying the economic order. It is necessary to do a good job in reforming the housing system, formulate specific reform policies, accelerate the development of the real estate industry, create conditions to sell houses as commodities to private individuals, strengthen propaganda work, and guide the residents in the use of their consumption funds. We should sell the property rights of some state enterprises, select several state enterprises with good management to try out the stocksharing system, issue share certificates, and sell some small enterprises which have been suffering from deficits for a long time. Localities, if conditions permit, may try out the compensated transfer of the right to use state-owned land in some selected units. It is necessary to readjust the ownership structure; actively develop the collective, cooperative, individual, and private economies; promote the comprehensive reform experiment in some cities; and display the influential role of central cities.

Third, we should strengthen market building, continue to activate the consumer goods markets and stabilize the people's livelihood. Efforts should be made to develop the capital goods markets; gradually form capital goods circulation networks throughout the province; develop all kinds of material resources; develop the banking markets; broaden the channels for the flow and rational use of funds; open markets to transfer, buy, and sell negotiable securities such as bonds and shares on a trial basis; and develop capital flow business such as clearing up debts, opening pawn and mortgage loan businesses, and importing foreign capital.

It is necessary to consolidate the building trade market and cultivate the real estate market. We should do a good job in running the labor service market and gradually form an urban and rural labor service market network. We should expand, on a large scale, a number of science and technology markets to promote the close combination of science and technology and production.

Fourth, we should continue to deepen the rural economic structural reform. We should stabilize and improve the system of responsibility for production on a contracted basis; strengthen service before, during, and after production; and gradually set up various forms of socialized service systems involving various sectors of the economy. In line with the principle of voluntary participation, the localities where conditions permit should appropriately carry out large-scale management and create conditions for specializing, commercializing, and modernizing agriculture. We should pay attention to developing various sectors and forms of rural economic



organizations; conduct cooperation between various layers and between various links; and create conditions for realizing the coordination between agriculture (animal husbandry), industry, and commerce, and between production, supply, and marketing. We should further promote the reform of supply and marketing cooperative systems, accelerate the pace of building supply and marketing cooperatives into enterprises, perfect the management mechanism, and promote the development of the rural commodity economy. It is necessary to continuously conduct the overall county and township reforms on a trial basis.

Fifth, we should positively and steadily promote the reform of the political system and strengthen and improve macroeconomic management. In the course of improving the economic environment and rectifying the economic order, we should not only persist in the policy of separating government functions from enterprise management to enliven enterprises but also strengthen macroeconomic control. Organizational reform should be carried out in a step-by-step manner. The departments in charge of the overall work should enhance their functions for conducting macroeconomic control. It is necessary to strengthen the cooperation and coordination between various departments. We should comprehensively adopt various means to effectively realize macroeconomic control. We should strengthen the guidance over the work of enterprises. In accordance with the different conditions between large enterprises, small and medium-sized enterprises, collective enterprises, and town and township enterprises, we should make a unified plan, give different instructions and treatment to them, set different demands on them, and give them different policies. The province, cities, and all trades and professions should set up a number of key enterprise groups.

D. We should regard the opening to the outside world as the key to promoting economic development, strengthen the cooperation between various provinces, and widen the channels and spheres of developing foreign economic relations and trade.

Developing foreign economic relations and trade under the new situation is of great significance in increasing exports and foreign exchange earnings and promoting economic development.

We should strengthen the economic and technological cooperation between different places at home. In line with the demands of readjusting the economic structure and supplementing the province's strains on goods, materials, and technologies, we should positively develop the economic and technological cooperation and the goods and material exchanges between different provinces. Priorities should be given to setting up raw material bases outside the province. We should continue to bring in famous-brand quality products, upgrade the quality of products, expand the market occupation rate, strengthen the cooperation with coastal provinces and

cities, and set up coastal showcases to conduct cooperation with places at home and develop foreign trade. We should strengthen the leadership over the organizations stationed in foreign countries so as to bring their roles into play in regard to developing lateral economic cooperation and providing information and services.

The province's economic development has set forth urgent demands on increasing the export and foreign exchange earning levels. This year, we should make great efforts to develop the production of export products and the foreign export trade in order to fulfill the task of creating \$550 million foreign exchange earnings from exports. We should make efforts to readjust the export product structure, consolidate and develop traditional key products, and increase the proportion of industrial and mining products in the total export products. We should realistically strengthen the construction of export bases and support a group of special plants, special workshops, and farm and sideline product bases. Northeast Asia should be regarded as a key place to which our province will open. We should comprehensively develop contacts with the Soviet Union in the economic and trade, scientific and technological, labor service, and cultural and educational spheres; accelerate the construction of Hunchun Changlingzi Port; and strive to make it open to traffic as soon as possible. We should pioneer international markets; focus on expanding the oceanic trade and the trade with the Middle East; consolidate and develop trade with Japan, Hong Kong, Macao, and Taiwan; clear the channels for conducting trade with Northeast Asia; expand labor service exports; and, by all means, send agricultural and construction labor forces to foreign countries.

We should integrate development with opening up, and promote the former with the latter. The development and construction of Qianfu, Hunchun, Meihokou, and Jian should be opened to the outside world bravely, and be accelerated. We should continue to improve the investment climate, and extensively bring in funds, technology, talented people and managerial expertise. We should strive to improve the quality of the personnel in charge of foreign trade and foreign cooperation, and raise their work efficiency so as to help opening to the outside world. Work related to foreign affairs and overseas Chinese affairs should be geared to the needs of our province's economy. We should develop tourism in order to expand our influence on foreign countries.

E. We should strive to invigorate circulation, enable urban and rural markets to thrive, and arrange the people's lives well.

It is the responsibility of governments at various levels to conscientiously solve the people's clothing, food, housing, and transportation problems. They should organize well the production and supplies of market commodities. They should ensure success in hog production, establish marketable hog production bases, and improve the policies to encourage hog raising. Commercial departments

should improve management and reduce the hog production cost to help stabilize pork prices. We should ensure that all the 1.35 million mu of vegetable fields in urban areas throughout the province are planted with vegetables. In the vegetable business, we should guarantee the supplies of ordinary vegetables and ensure that the variety and quantity of fresh and rare vegetables are sufficient. Supplies of bean products should be ensured all year round, and their prices should be maintained at the same level as when they were deregulated. While achieving success in the supplies of key nonstaple foods, the supplies of other nonstaple foods, such as eggs, fruits, aquatic products, and seasonings, should also be increased according to demand. We should actively explore ways for large-scale production of hogs, chickens, and vegetables in rural areas, and for joint purchasing and marketing processes between rural and urban areas, and gradually establish production and marketing communities that integrate urban and rural areas in order to help adjust the interests of various fields and control market prices. We should arrange well the production and supplies of daily necessities for the people and arrange matters on a priority basis to ensure the production of the 21 daily necessities for the people, such as matches, soap, detergents, and sugar, and consumer durables. To enrich market supplies, commercial, grain, and supply and marketing departments should open up wide channels, replenish their purchasing personnel, and actively organize the supplies of scarce commodities from outside the province. An appropriate proportion of the scarce commodities produced by the province should be set aside to be supplied to the provincial market. We should properly handle the relationship between domestic trade and foreign trade, and properly reduce the export of the commodities for which demand outstrips supply in the province.

A small number of localities in the rural areas of our province have not eliminated poverty once and for all, and the people in some disaster areas still have difficulty in their livelihood. We should attach importance to and successfully carry out aid-the-poor work, arrange well the lives and production of the masses in disaster areas, and help impoverished localities and poor households in production and development so that they can eliminate poverty and achieve affluence at an early date.

In the process of the economic adjustment, some enterprises have suspended production totally or partly, and some of their workers have become jobless. When enterprises are optimizing their labor organization, some redundant personnel will emerge, the income of some staff members and workers will drop, and some people will experience difficulty in their lives. We should attach great importance to this. Enterprises should open up broad avenues for employment to properly place the redundant personnel, mainly on their own. They should organize the redundant personnel to develop new production, business, and service projects, to exercise independent accounting of the projects, and to hold the responsibility for their profits and losses. Industrial and

commercial administrative, taxation, and bank departments should provide what is necessary for this. Governments at various levels should set aside a certain proportion of their funds for use as social relief funds. They should attach great importance to production safety, and keep serious and vicious accidents to the minimum. Leading persons at various levels should go well down to lower levels to experience and observe the situation of the people, bear the people's lives in mind, actively adopt measures to solve the people's problems in transportation, housing, and water and electricity supplies, which are closely related to the people's lives; and perform some work for the benefit of the people in a down-to-earth manner.

F. We should positively develop all social undertakings, by persistently putting science, technology, and education in a conspicuous strategic position for economic development.

To develop the economy and improve efficiency, the fundamental course is to accelerate scientific and technological progress and raise the scientific and technological level. The whole province from top to bottom should strengthen the sense of science and technology in order to orient economic construction to the path of depending on scientific and technological progress. We should rapidly formulate programs under which the whole province depends on science and technology to invigorate the economy. We should gradually increase the input in science and technology. Those cities and counties which have not yet met the demand for establishing their own scientific and technological development funds should strive to meet the demands as quickly as possible; and those which have not yet established their own scientific and technological funds should establish them by the end of this year. We should increase scientific and technological expenses year after year and, in particular, should not begrudge money spent on new technologies and products which have good economic and social efficiency and are of great value to develop, so that these technologies and products will give rise to some superior industries and products. We should vigorously combine science and technology with production, formulate policies, create suitable conditions, provide what is needed, improve service, and encourage scientific research and teaching institutions to plunge into the economy through various forms. We should pay attention to applying scientific research findings to production, establish a number of technological-intensive areas and bases which set examples in implementing the "spark" plan, and encourage these areas and bases to bring along the production of other areas. We should establish a number of enterprises which implement the "spark" plan and earn foreign exchange, should develop and popularize a number of high-technology and new-technology projects in order to remarkably raise the factor of depending on scientific and technological progress in the total newly added product of society. We should deepen the reform of the scientific and technological structure, should comprehensively popularize the contract management

responsibility system among scientific research units, and should encourage scientists and technicians to go to the grassroots areas or rural areas to contract and initiate enterprises.

With the purpose of establishing a mechanism under which education voluntarily adapts itself to the demand of economic construction, we should deepen the educational reform, optimize structure, improve teaching quality, and rapidly enable education to embark on the path of meeting the demand of economic construction, stressing efficiency, and effecting stable and coordinated development. We should vigorously implement the "Law on Compulsory Education," carry out the system of 9-year compulsory education, conduct the work of wiping out illiteracy, vigorously develop professional education, and make efforts to improve the quality of laborers. In line with the province's demand of economic construction, higher educational institutions should readjust their structure, further improve the enrollment system and the system concerning distribution of graduates, and open a path through which talent can flow to rural and remote border areas. We should exploit the advantages of scientific and technological achievements and the talent of higher learning institutions, and gear these advantages to economic construction. We should make overall arrangements for counties and townships, carry out the "prairie" plan among counties and townships, and rapidly build an educational system of "combining moral education with intellectual and physical education" in the rural areas. We should enliven the internal mechanism of schools, reform the internal management system and distribution system of schools, strengthen ideological and political work, and fully mobilize the enthusiasm and creativity of the vast number of teachers in imparting knowledge and educating people. We should pay attention to the training of teachers in order to improve the quality of teachers. We should adopt effective measures to enhance teachers' social status and remuneration. On the occasion of the 40th anniversary of the PRC's founding, the province will commend a group of excellent teachers. This year, despite the shortages in financial resources, the province plans for a 7.6-percent increase in its expenditures, with the educational operating expenses increasing by 10.2 percent over the previous year. In making arrangements for their funds, all localities should increase investment in education to an appropriate extent, far from curbing it. The provincial government has decided to release some money to establish educational undertaking development funds; and, at the same time, mobilize all forces in society to raise money or contribute money to develop educational undertakings. That the masses voluntarily contribute money to run education should not be regarded as a case of an unreasonable burden. The educational order should also be consolidated, and such cases of unjustified levies and indiscriminate running of classes should be eliminated. We should adopt effective measures to solve the problems that teachers are wary of teaching and students discontinue their studies. We should also strengthen moral education and foster a

generation of new persons who are comprehensively developed morally, intellectually, physically, aesthetically, and in labor.

In cultural work, we should accelerate the pace of reforming the structure of art and performing troupes, and gradually implement the "double-track" system among them. We should activate literary and art performances, invigorate literary creations, conduct rich, colorful, and healthy mass cultural activities and encourage the social quarters to run cultural undertakings. In medical and public health work, we should persist in prevention first, strictly consolidate the order of medical work, deeply conduct education on professional ethics and style of doctors, pay attention to social benefits in the course of deepening medical reform, and render good service. We should comprehensively conduct the patriotic public health campaign, strengthen prevention and cure of endemic and infectious disease, and grasp the basic public health work. In sports, while implementing the strategy of making all people participate in doing exercise with a focus on the youth, we should accelerate the training of high-level sports reserve forces, improve the quality of high-technique training, and strive to create outstanding achievements. Implementing family planning, controlling population growth, and raising the quality of population are our country's basic state policies. We should resolutely implement the active family planning policies; continue to promote the practice of late marriage and late birth, fewer but better births, and the practice of one child per couple; establish and improve the self-constraint mechanism; forbid giving birth more than once, early marriage, and early childbearing; and guarantee the accomplishment of our province's annual population control task. It is necessary to comprehensively manage the environment; comprehensively improve the city environment; grasp target appraisal, supervision, and inspection; prevent environmental pollution and ecological disruption; and strive to realize our province's environmental improvement targets set by the Seventh 5-Year Plan. We should also strengthen anti-earthquake work and intensify our ability to combat disasters. In the people's air defense work, we should continue to raise the results of war preparedness, and social and economic benefits. We should achieve new progress in the work of the press, publications, radio, film, television, cultural relics, cultural halls, libraries, museums, archives, and local chronicles in the course of reform. Efforts should be made to resolutely implement the policy toward nationalities and continue to mobilize and organize all social forces to support the minority areas to better develop their economy and culture. We should respect citizens' freedom in religious beliefs and the minority people's habits and customs and further consolidate and develop a socialist national relation characterized by equality, unity, and mutual help.

G. We should give full rein to democracy, strengthen the legal system, and comprehensively improve social security.



Only by winning the greater understanding, support, and participation of the masses can we have a solid foundation for solving the contradictions in our economic and social life and overcoming difficulties. We should adopt various methods to boost the masses' enthusiasm in reform and participation, tell the people clearly about the reform achievements and the current existing difficulties and the party's principles, policies, and measures for improving the economic environment and rectifying the economic order in an effort to win popular support and supervision. We should further improve the multi-layered social consultation and dialogue system in various quarters and make them communicate with and understand one another in order to help the government make correct policy decisions and enable the people to give effective supervision. We should pay attention to people's letters and visits, learn how to solve all kinds of questions raised by masses within the limits of democracy and the legal system, help them solve all types of difficulties, and place government work under mass supervision.

The government's legislation should be conducive to developing the productive forces. The governments should propose and formulate some laws, regulations, and decrees that help promote reform and economic development, and codify the reform achievements in the form of law. At the same time, we should pay special attention to formulating laws and regulations for improvement and rectification and supervise the implementation of these laws and regulations. We should inspect the implementation of laws and regulations related to the people's immediate interests, and strengthen inspection over the law enforcement activities of state organs and their personnel.

Administrative and supervisory organs and auditing and technological supervisory departments should do their jobs even better to promote the implementation of law and rules. We should continue to conduct propaganda and education on the legal system and to conduct training in the legal system so as to make the people consciously act within the scope of law and discipline. To ceaselessly strengthen work on the legal system, we should gradually set up and perfect legal system organizations under the governments at various levels and enhance the construction of the ranks of legal system workers so as to suit the demands of the new situation.

The problems concerning public order comprehensively reflect various social contradictions. Therefore, we must comprehensively improve social order. We should continue to implement the principle of strictly and immediately dealing blows to criminal activities according to law; strictly deal blows to serious criminal offenders, serious economic criminals, and other criminal activities; stop the trends of creating major cases, and protect the legal rights and interests of the masses and safety in their lives and property. We should adopt effective measures to resolutely investigate, ban, and end illegal

activities, such as gambling, prostitution, and the manufacturing, marketing, and dissemination of obscene goods. We should attend to grassroots construction so as to make the work relating to improvement of public order take root among the masses. We should strengthen the construction of the ranks of public order workers and upgrade their quality. We should ensure that government functionaries among the industrial and commercial, tax, pricing, and auditing units do their work according to law.

H. We should extensively and deeply launch the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures throughout the province.

There is great potential in the province's production, construction, and circulation spheres. The phenomena of losses and waste are relatively widespread in these spheres. Through launching the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures, we should tap the potential of all fronts to promote the construction of key projects and increase effective supply. This is a key way for developing production and stabilizing the economy in the course of tightening up finance.

In launching the campaign, we should regard the improvement of the economic results and the increase in effective supply as a target, focus on upgrading the quality of products, reducing material consumption, opposing waste and extravagance, reducing expenses, and controlling price hikes; mobilize the people of various nationalities and the people on all fronts and of various trades and professions to carry forward the spirit of building the country through arduous struggle and thrift, and ensure the overall fulfillment of this year's national economic and social development plan.

All professions and trades and all units should fully mobilize and rely on the masses; proceed from reality to work out the targets, plans, and measures for increasing production, practicing economy, increasing revenues, and reducing expenditures; assign targets, tasks, and responsibility to individuals, and regularly appraise and publicize the fulfillment of the targets. In line with the target in which each and every staff member and worker should save and earn 100 yuan, we should mobilize all staff members and workers throughout the province to engage in the campaign. We should extensively and deeply launch the socialist labor competition campaign, fully arouse the vast number of cadres and masses' socialist enthusiasm and creativeness, and strive to make contributions to rejuvenating Jilin. The provincial party committee and the provincial government decided to vigorously commend the advanced units and individuals emerging from the socialist labor competition campaign on the occasion of the 40th anniversary of the founding of the PRC. We should strengthen the organization,

coordination, inspection, and guidance over the campaign; popularize the experiences gained by advanced units; and ensure smooth and successful progress in the "double-increase and double-reduction" campaign.

### **III. We Should Improve Government Work and Ensure Smooth Progress in All Tasks**

The work tasks in 1989 are heavy and arduous. Whether or not we can score achievements in this year's work tasks is a matter relating to the progress of reform and development during the next few years. Under the leadership of the party committees, governments at various levels should consciously accept supervision by the People's Congresses; persist in the spirit of administrative honesty, high efficiency, unity, pioneering work, and specific work; make unified plans, carefully organize work, and strive to accomplish the work in all fields.

First, we should correctly understand the situation, and unify our thinking and action in line with the guidelines of the 3d Plenary Session of the 13th CPC Central Committee. At present, many contradictions and some problems we must not neglect do exist in the economic activities and social life of our province, and we should fully estimate the difficulties we encounter. We should correctly analyze the situation, and should not only face up to contradictions but also note the opportunities. Improving the economic environment and rectifying the economic order will provide many new favorable conditions for us to carry out reform and construction even better. The state's retrenchment policy will effectively help us shift the focus of economic development from competing for a higher growth rate to improving economic results, and will help us correct our guiding principle for economic work. Reducing social demand will help facilitate economic restructuring, and increase the internal vigor of economic development. Solving the problems of economic shortages forces us to choose the development measure of intensive management, and this will help us embark on the track of relying on scientific and technological progress in economic development. Controlling the scope of capital construction will change our pursuit from growth in total quantity to optimization of the fixed assets in stock, and will help us effectively develop the potential of the considerable scope of the fixed assets we have established for many years. We have both the foundation for economic adjustment and the potential for development in the process of adjustment. To achieve steady development amid retrenchment, the key is to unify our thinking and action in line with the guidelines of the 3d Plenary Session of the 13th CPC Central Committee. The endeavor of improvement and rectification is not only a necessity in curbing the current inflation but also provides favorable conditions for deepening reform and stabilizing economic development in the future. We should take the initiative in implementing this principle to the letter, take the overall situation into account, and subject to the state macro regulation and control. We should adhere to the general orientation of reform and opening up, rely on

reform to resolve the contradictions and problems cropping up in the process of economic adjustment, maintain the consistency of the reform and open policies, persistently carry out improvement and rectification simultaneously with reform, and deepen reform in the process of improvement and rectification. When conducting improvement, rectification, and reform, we should continue to uphold the criterion of productive forces. Anything conducive to developing productive forces should be explored and put into practice bravely. Through developing production and increasing effective supply, we should ensure market supplies, the people's lives, key construction projects, and the strength for sustained development. Improvement and rectification represent a positive principle. Comprehensively understanding and implementing this principle, we will be able to overcome the current difficulties, successfully fulfill the tasks for improvement and rectification, and achieve new development in reform and construction.

Second, we should remain clean and honest, and oppose corruption. Keeping government organs clean and honest, and struggling against various corrupt phenomena have a direct bearing on the actual results of improvement and rectification, and also represent a very important issue concerning whether or not we can win the trust of the people and safeguard the prestige of the party and government. We should regard honesty in official duty performance as a major task, carry it out in a down-to-earth manner, and achieve good results from it. Deeds of asking for and taking bribes and embezzlement committed by personnel of state organs pose a particularly serious danger to socialist construction. We should regard this as the focus of the current efforts to maintain honesty in official duty performance and waive them. The basic and long-term way to eliminate corruption is to establish necessary systems for remaining honest in official duty performance and tackle problems in a comprehensive manner. We should open our work procedures and work results to public scrutiny. We should start from the departments that have direct contact with the people and enterprises, and from the work which the masses are most concerned about, and from which corruption emerges most easily, and we should achieve good results in establishing necessary systems at the departments holding the power for law enforcement, examination and approval, and the units in charge of public utilities. We should make known to the masses the rules and regulations, procedures, results, and time limits of the work for the masses.

We must take a clear-cut attitude on the work of eliminating corruption and advocating honesty. We should depend on the masses and supervisory and judicial departments at all levels to investigate and deal, according to law without any leniency, with such unlawful behavior as serious extravagance and waste, illegal selling of goods to seek exorbitant profits, abuse of power, dereliction of duties, racketeering, bribery, and abuse of power to occupy land to build houses. We should establish and perfect the supervisory system. Supervisory and

auditing departments should fully display their own functions, strengthen coordination with others, intensify the solemnness of law enforcement, and form a mechanism of supervision and restraint over state functionaries. Press, radio, and television departments should exploit their role as supervisors of public opinion to vigorously publicize and advocate democratic and healthy practices and accurately, realistically, and openly reveal all kinds of corruption and law and discipline violations. These departments should also exploit the role of crime-reporting centers to carry out effective supervision by the masses. These departments should frequently listen to the opinions and proposals of democratic parties, nonparty patriotic figures, and mass groups concerning the building of administrative honesty, and should provide conditions and conveniences for them to exploit their supervisory role. We should profoundly conduct education on opposing corruption and advocating honesty in order to make state functionaries more aware in resisting corrupt trends and serving the people. Leading cadres at all levels should set examples for others in guarding against corruption and should strictly enforce the law so as to promote the building of administrative honesty with their exemplary behavior.

Third, we should enhance the expertise of policymaking and should pay attention to implementing policies and decisions. To solve the numerous and complicated contradictions in society and the economy, we need not only courage and resourcefulness, but also careful calculation. Leaders of governments at all levels should improve their theoretical and thinking abilities to master the whole situation, should concentrate their major energy on studying and implementing major principles and policies, and should make careful studies and prudent policy decisions for those conspicuous problems emerging in the course of improving the economic environment and rectifying the economic order, for the key links in economic work, and for those major issues touching upon the people's livelihood and interests. Attention should be paid to studying new situations and new questions. Advance forecasts should be conducted for those sensitive issues which will probably emerge in economic and social activities, and then countermeasures should be set forth. The degree of democratization should be enhanced constantly. In making policy decisions which involve the overall situation, we should listen to the opinions of the grassroots areas, specialists, scholars, and research and advisory departments, and should encourage the policy decision departments to communicate with academic and theoretical institutions. We should gradually attain the goal of not making policy decisions for major issues until scientific appraisals are conducted and comparisons with several cases are made. The government work should be focused on concrete matters, doing more and saying less. Leading comrades of governments at all levels should personally participate in the work, and should help the grassroots level study and solve problems. We should establish a flexible and efficient operation mechanism for the work

of government organs, should define the duties of different departments and posts, and should combine the personal responsibility system with the target responsibility system. We should establish the system of assessing the performances of state functionaries in fulfilling their tasks, should give appropriate appraisals to each and every state functionary, and should link their promotions with their awards.

We should conduct, in a step-by-step manner, regular education among cadres with a view to upgrading the quality of cadres. It is necessary to intensify the construction of supervisory work organs and the means for supervision and inspection. Major work arrangements and plans should be made through step-by-step examinations and supervisions. The situations and problems in the implementation of the work arrangements and plans should be reported when they appear so as to ensure corroborative results from implementing each of the arrangements and plans. We should change the method of relying on conferences and documents to guide work. The provincial government will formulate a method to control the convocation of various kinds of conferences and the issuance of various documents so as to effectively facilitate the shift of the organs' work priorities onto the grassroots and to reality and to score genuine results in improving the workstyle.

Fourth, we should strengthen ideological and political work and arouse the enthusiasm of all fronts. Without ideological and political work, we cannot overcome the difficulties in the current economic work nor can we solve the complicated social contradictions solely relying on economic methods. Governments should persist in the principle of attending to construction, reform, the opening to the outside world, and the development of commodity economy on the one hand, and attending to ideological and political work and socialist spiritual civilization on the other so as to ensure positive guidance with forceful ideological and political work. Through vivid and persuasive education on the current situation, we should guide the vast number of the masses to correctly understand the situation and to see both difficulties and favorable conditions; work out methods for solving contradictions; enhance our confidence; inspire our enthusiasm for engaging in the improvement of the economic environment and the rectification of the economic order; and make concerted efforts to overcome difficulties and develop productive forces. All professions and trades should be organized to improve their professional ethics, work out standards for professional ethics, foster an idea of serving the people, and eliminate unhealthy practices within trades. We should foster a spirit of socialist enterprise; set up an ideological and political work system where plant directors assume full responsibility and where the party, the administration, and trade union organizations are closely linked with each other, and arouse the staff and workers' spirit of being the masters of the enterprises and consciously being dedicated to rejuvenating the economy. We should cultivate fine social practice; advocate the spirit of



arduous struggle, hard work, and thrift; oppose waste and luxury; advocate the practice of respecting science; oppose feudalism and superstition; advocate patriotism, collectivism, and the spirit of unity and mutual assistance; and oppose the corrosive idea of being intent on nothing but profit. We should support trade union organizations, Communist Youth League organizations, and women's federations to conduct their work independently and to bring into play their advantages in conducting ideological and political work. The people on all fronts should work closely in cooperation with each other in order to accomplish the ideological and political work. Cultural, art, radio, television, and publication departments should bring into play their due functions for upgrading the people's ideological awareness and moral integrity.

Fellow deputies, this year is the 40th anniversary of the founding of the PRC. We should conscientiously implement the principle of improving the economic environment, rectifying the economic order, and comprehensively deepening reforms; fully arouse the enthusiasm of all fronts; make concerted efforts to overcome difficulties; comprehensively fulfill the tasks for 1989; and greet the 40th anniversary of the founding of the PRC with new achievements.

#### Provincial Court Work Report

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[Excerpts of report on the work of the Jilin Provincial Higher People's Court, delivered by Xie Anshan, president of the provincial Higher People's Court at the second session of the seventh provincial People's Congress on 12 March]

[Text] In 1988, under the leadership of party committees at various levels and the supervision of People's Congresses, people's courts at various levels throughout the province carried out their work in service of the establishment of a new order for the socialist commodity economy with the guidance of the guidelines of the 13th CPC congress, followed the direction of serving our province's economic development strategy to place reform in the dominant position in all undertakings; strictly enforced the Constitution and laws; fairly successfully performed the functions of crackdown, protection, and regulation of judicial organs, with the focus on the central task of ensuring and promoting reform and construction and gearing to the needs of improvement, rectification, and development of productive forces, and comprehensively carried out their various judicial work. They accepted 91,234 cases for handling in the whole year, an increase of 28 percent over the preceding year. Of these cases, 98.3 percent were concluded. A total of 81,193 cases were concluded at the first instance, of which 12.4 percent were cases brought to trial through public prosecution and 87.6 percent were criminal cases brought to trial through private prosecution, civil cases, economic dispute cases, and administrative cases.

1. The principle of "two crackdowns" was continued to persistently deal strict blows to serious criminal offenses and serious economic criminal activities.

The current general public security of our province is basically stable. However, the situation remains very rigorous with rising criminal cases, particularly sharp increases in serious and appalling cases, and rampant criminal activities in some localities. Last year, 11,321 criminal cases of various categories were concluded, showing an increase of 5.6 percent over the preceding year; 12,917 persons implicated in these cases were sentenced, an increase of 9.1 percent. Of these cases, 3,625 were serious criminal cases, amounting to 32 percent of the total criminal cases; 5,344 criminals were involved, amounting to 41.4 percent of the total sentenced criminals. The overwhelming majority of the cases were tried in good quality, with basic facts clarified, evidence reliable and adequate, the nature accurately defined, punishment properly meted out, and trial procedures legal.

Meanwhile, implementing the principle of meting out strict punishment according to law, courts at various levels continued to deal strict blows to serious economic criminal activities, with the emphasis on the trial of major and appalling cases. Last year, they accepted 1,767 economic cases, a decline of 14.7 percent from the preceding year; and 1,747 of these cases, involving 2,455 persons, were concluded. Economic losses totaling 25,815,132 yuan were recovered for the state and collectives. On average, 98.8 percent of the cases were concluded.

The province held 370 public trials attended by 8.08 million people to pronounce sentences on 2,171 cases. This frightened criminals, educated the masses, and maintained the prestige of "strict blows."

Courts in forest areas throughout the province conscientiously enforced the "forest law" and other relevant laws and regulations, and continued to crack down on reckless felling of trees. A total of 154 cases on damage of forests were concluded in the whole year, and 213 criminals were sentenced. The case conclusion rate was 99.4 percent. In this way, they exerted efforts to protect forest resources and promote forestry.

2. Various judicial work was carried out comprehensively to provide effective legal service to reform and construction.

Last year, the province concluded 58,872 civil cases at the first instance, showing an increase of 20 percent over 1987. The case conclusion rate was 95.2 percent. Proceeding from anything conducive to reform and construction, courts at various levels attached more importance to, and strengthened trials of economic cases, and correctly handled various economic disputes in a timely

manner. They concluded 18,861 cases of economic disputes, an increase of 107 percent over the preceding year, accounting for 93.5 percent of the total economic disputes. The amount of money involved totaled more than 300 million yuan.

With regard to the cases that had fairly great influence on reform and construction, in particular, they registered the cases on a priority basis, handled them promptly, and tried their utmost to avoid or reduce economic losses as much as possible. When handling cases, some courts not only correctly handled disputes according to law but also adopted all possible means to provide favorable conditions for some enterprises on the brink of bankruptcy to revive. Last year, courts at various levels throughout the province accepted and handled according to law a great number of disputes over contracts on agricultural loans, combined the work to handle cases with publicity of the legal system, and concentrated efforts on sorting out and recalling agricultural loans. In merely 6 months, they recovered more than 100 million yuan of agricultural loans. Meanwhile, they also handled according to law a number of disputes over contracts on people's storage of grain for the state, cases concerning repayment of circulating funds of enterprises, and disputes over commercial loans or contracts on purchasing and marketing. The work of administrative trial was a new task for people's courts. By the end of last year, 48 administrative tribunals had been established and some are being actively built. A total of 148 administrative cases were handled, and 139 of them were concluded. Of these, 76 cases, or 54.7 percent, the judgments of administrative organs were maintained; and 13 cases, or 9.4 percent, the judgments of administrative organs were canceled or changed. This effectively supported administrative organs in carrying out administration according to law and protected the legal rights and interests of persons concerned. The higher people's court and the intermediate people's courts throughout the province established tribunals for accusations and appeals, and 62 of the 77 grass-roots courts established tribunals for accusations and appeals. They handled 50,959 letters of accusation and appeal, and received 213,232 concerned persons. Courts at various levels also strengthened their functions of judicial supervision, completed a great number of cases waiting to be retried, handled in an active, serious, conscientious, and prudent manner the appeals on the cases to which "strict blows" were dealt, and successfully completed the reexamination of historical old cases. They concluded 679 historical old cases and 8,258 cases of appeals against "strict blows," and realistically changed the judgments and made corrections on cases in which the basic evidence was not consistent with facts, and the nature was wrongly defined. Through judicial supervision, they reduced the penalty for 740 criminals and released 945 criminals on parole.

3. Courts persistently combined crackdown with prevention and temporary solution with permanent cure, and conscientiously carried out the various measures for comprehensively tackling public security problems.

First, through trials, they expanded publicity of the legal system and particularly paid attention to using typical cases to explain laws, thus exposing crimes and advocating the legal system. Second, they assisted public security and reform-through-labor departments to examine and visit persons sentenced to probation, put under public surveillance, exempted from criminal punishment, and released on parole, and to carry out assistance and education measures. They went to reformatories and jails to educate criminals in custody to confess their crimes and abide by laws. Third, when handling cases, they voluntarily offered judicial suggestions to counter the problems of some units and departments that had provided opportunities for law violation and crimes due to their bureaucracy, poor management, and lax systems. Last year alone, they offered nearly 1,000 judicial suggestions. Fourth, they combined publicity of the legal and education systems to popularize knowledge of laws in order to greatly enhance citizens' sense of respect for the legal system. They made public the results of major and appalling cases that had been handled and their important activities, and extensively subjected themselves to the democratic supervision of the various circles of society. Fifth, they further strengthened the grass-roots basic work. At present, grass-roots courts throughout the province have established 425 people's tribunals, whose number of cadres amounted to 35 percent of the total grass-roots courts.

4. Courts deepened reform to strengthen their own systems and improve their law-enforcing activities.

First, cases that should be handled publicly according to the regulations of law, particularly cases handled at the first instance, were basically handled publicly. Concerning those that should not be handled publicly according to law, sentences were pronounced publicly according to law. A considerable number of cases handled at the second instance were also handled publicly according to law. Second, they attached importance to and carried out the system of providing evidence as prescribed by law. With regard to civil, economic, and administrative cases in particular, they changed investigations outside courts into investigations during trials at courts. Third, they strengthened the responsibility of collegiate benches, expanded their power, and while adopting supervisory measures, transferred some cases to collegiate benches for their study and decision. Fourth, many courts established collegiate benches for juvenile delinquents on a trial basis and combined punishment and transformation with education and saving methods to reduce the criminal rate of minors. Fifth, they exerted active efforts to enforce the system of "two public and one supervision," and achieved some initial results.

5. Focusing on consolidation, courts strengthened their contingents of workers.

Improvement of the contingents of workers was a task that the courts throughout Jilin emphasized in 1988. They educated cadres and policemen on the theory of the

initial stage of socialism and the party's basic line and launched extensive activities to learn from Comrade Chen Jiaqi, president of the Lishu County Court, who was a national model of courts. As a result, an encouraging situation in which people learned from the advanced collectives and vied with one another to become models took shape, and a number of advanced collectives and individuals emerged who persistently sought truth from facts, enforced laws honestly, remained clean and honest, sacrificed their interests for the benefit of others, and carried out arduous struggles. A total of 102 persons were named as advanced workers of the courts of the province. While conducting education with positive examples and mobilizing all positive factors, courts further established and improved various rules and regulations, specified the contents of the efforts to consolidate discipline and workstyles, and adopted the personal responsibility system characterized by management by objective toward this. Instead of tolerating and shielding a small number of cadres and policemen who committed breaches of law and discipline, they conscientiously and strictly investigated and handled the breaches and sternly punished according to law those who violated the criminal law. Among the cadres and policemen of the courts throughout the province, those with specialized knowledge at and above the college and university level amounted to 47 percent.

Despite certain achievements, some problems that must not be neglected still existed in the work of the courts throughout the province. Major ones were as follows. In the new situation of improvement, rectification, and deepening of reform, some comrades were not sensitive enough, lacked a strong sense of reform, and failed to firmly foster the idea of service. Courts failed to achieve great progress in their reform and were not serious and conscientious enough when enforcing policies and laws. When carrying out the system for procedures, some of them were not strict enough and failed to pay adequate attention to the overall effect of the handling of cases. In improving their contingents of workers, they lacked powerful and effective measures and coordinated restricting and supervision mechanisms, and breaches of law and discipline were frequent. In view of the problems, courts at various levels should exert great efforts to solve them realistically. Meanwhile, it is ardently hoped that party committees at various levels, People's Congresses, and relevant departments will show concern and support so that these problems can be solved at an early date.

In 1989, courts at various levels, with the guidelines of the 3d plenary session of the 13th party Central Committee as the guidance, serving the endeavor of improvement, rectification, and deepening of reform as the central task, and handling of major and appalling cases as the starting point, should comprehensively carry out various judicial work to provide stronger legal guarantees and service to reform and economic construction. They should further strengthen the function of dictatorship, continue the principle of meting out strict and

prompt punishment according to law to strictly punish serious criminal crimes and serious economic offenses, greatly strengthen trials of civil, economic, and administrative cases, and particularly pay attention to properly handling the various disputes emerging in the process of improvement and rectification to successfully regulate the relations among various social sectors. Meanwhile, under the leadership of party committees at various levels, they should closely coordinate with relevant departments to carry out the various measures together to comprehensively tackle public security problems.

To ensure the fulfillment of the aforementioned tasks, we should continue to deepen the reform of courts, strive to improve their law-enforcing activities, improve their mechanisms, continuously raise their judicial work level, conscientiously improve their contingents of workers, regard honesty in law enforcement as a major task, and fulfill it successfully. This year, we should conduct a large-scale inspection on discipline observance and law enforcement of the courts throughout the province to purify the contingents, increase their ability to resist corrosion, and enhance their combat strength.

#### **People's Procuratorate Work Report**

SK1704022689 Changchun JILIN RIBAO in Chinese  
25 Mar 89 p 2

[Excerpts of report given by Li Xiangwu, chief procurator of the Jilin Provincial People's Procuratorate, on the work of the Jilin Provincial People's Procuratorate, at the second session of the Seventh Jilin Provincial People's Congress on 12 March 89]

[Text] Since the first Plenary Session of the 7th Jilin Provincial People's Congress, the provincial procuratorial organs throughout the province have closely focused their work on reform, opening up, and economic construction; to let reform play a dominant role in their overall work, strengthened their legal supervisory role, continued to persist in launching a struggle against serious criminal offenses and economic crimes, and made positive contributions to keeping the party and government organs honest and clean, promoting the improvement and rectification drive, comprehensively deepening reform, and invigorating Jilin.

1. We persisted in unswervingly launching the struggle against serious economic crimes and serving the drive to improve the economic environment, rectify the economic order, and comprehensively deepen reform.

In 1988, the procuratorial organs throughout the province filed and investigated 1,403 economic cases of corruption, bribe-taking, tax evasion, refusing to pay taxes, use of false trademarks, and misappropriating public funds, an increase of 7 percent over 1987, of which 220 were major or appalling cases, an increase of 29.4 percent over 1987. A total of 1,286 cases were



solved. The rate of solving cases reached 91.66 percent. We thus recovered 39.8 million yuan in economic losses for the state, an increase of 91 percent over 1987.

During the struggle, the procuratorates at all levels grasped the key points, and concentrated efforts on investigating and handling corruption and bribery cases. During the year, they filed 788 cases for investigation, accounting for 56.2 percent of the total number of economic cases on file. First, they went deeply to the banking, capital construction, and grain departments to uncover corruption and bribery crimes. Second, they concentrated their efforts on cracking major and appalling cases. Third, they resolutely investigated and handled cases concerning corruption and bribery committed by party and government office cadres and enterprise leaders. During the year, a total of 402 cases were cracked.

From October 1987 to April 1988, in light of the fact that some enterprises and individual business households openly evaded taxes or refused to pay taxes, seriously disrupting economic construction, procuratorates at all levels took the initiative in cooperating with the courts and tax departments to launch a special struggle against criminals evading or refusing to pay taxes. A total of 220 cases were filed, 88 criminals were arrested, more than 6 million yuan of evaded taxes were repaid, and more than 11 million yuan of economic losses were recovered. Enterprises and individual industrial and commercial households repaid a total of 13.77 million of taxes. This move helped to reduce the loss of taxes, and promote economic construction. The procuratorates at all levels throughout the province established crime report centers. The chief procurators at all levels took the lead in handling the reported cases. All professional departments coordinated with one another, and strived not to stop receiving people's visits and investigating and handling cases. In order to win the people's support, the procuratorates at all levels strived to report to the people in a timely manner the results of cases investigated, award the individuals and units that made contributions to reporting crimes, and thus boosted their enthusiasm in reporting crimes. The crime report centers of the procuratorial organs throughout the province accepted 5,769 reported cases of various descriptions, of which 3,279 cases came within the administration of the procuratorial organs. A total of 356 cases were filed for investigation, of which 221 were solved. We thus recovered 10.61 million yuan in economic losses for the state.

2. We persisted in unswervingly launching the struggle against serious criminal offenses and strived to create a good social and law environment for economic construction.

In 1988, the procuratorial organs throughout the province approved the arrest of 13,159 criminals of various types, of whom 3,650 persons were involved in major cases. Lawsuits were lodged in 8,616 cases, involving 12,854 persons. Of these lawsuits, 99.9 percent received

the guilty verdict. This dampened the arrogance of criminals. At the same time, we further strengthened procuratorial work in forestry, dealt strict blows to criminal activities for damaging forests, investigated and handled 202 forest destruction cases, recovered 480,000 yuan of economic losses for the state, reduced forest fires, and protected the state's forest resources. From March to June, the procuratorial organs throughout the province actively participated in the struggle against serious criminal offenses, took the initiative in cooperating with public security organs and courts to tackle prominent problems with concerted efforts, and strived to attain the goal of bearing a hand in the cases earlier and dealing heavy and quick blows to serious criminals in line with the law.

The procuratorial organs further strengthened their legal supervisory function. During the year, they straightened out 937 law violation cases of various types, prevented and changed 39 cases whose natures were wrongly defined, arrested 485 criminals who escaped unpunished, lodged lawsuits against 210 criminals who escaped unpunished, and lodged a protest against 40 lawsuits in line with the law. The procuratorial organs throughout the province also strengthened supervisory measures for their self-investigated cases, improved the system of reinvestigating cases, conducted general law enforcement inspection, improved the internal regulatory mechanism, and prevented and straightened out 77 wrong cases. The procuratorial organs throughout the province dealt serious blows to criminal activities in jails and reformatories, and handled 219 cases involving 242 persons, of whom 32 persons were investigated and arrested, and 238 persons were investigated for prosecution. They also investigated 3,041 criminals who were serving their punishment in society and discovered 23 persons who illegally left prison on bail to seek medical advice as well as 82 persons who were not taken back into custody after their conditions for outside supervision became void. Through investigation, we meted out punishment to 56 persons who committed new crimes and helped establish 520 reformatories.

3. We resolutely investigated and handled cases of state public servants who neglected their duties and infringed upon legal rights and interests of citizens, guaranteeing that these rights and interests of citizens were not infringed upon.

In 1988 the provincial procuratorial organs further strengthened law and discipline inspection work. The province as a whole accepted a total of 954 cases, up 26.8 percent over 1987, and filed 600 cases for investigation, up 30 percent over 1987. Of these, we investigated and handled 479 cases on dereliction of duty, major accidents due to negligence, and infringement on citizens' rights and interests, accounting for 84 percent of the total number of cases on file for investigation; solved 559 cases, accounting for 93.2 percent of the total number of

cases filed. The courts meted out punishments in all lawsuits. While handling cases, we paid special attention to investigating and handling 70 major and appalling cases.

In order to guarantee that the citizens' legal rights and interests were not infringed upon, the procuratorial organs throughout the province took the initiative in considering the work of keeping the public security organs honest and clean as their important tasks, and strictly punished 7 persons of the public security ranks who bent the law for the benefits of relatives or friends or who extorted confession by torture. In 1988, the procuratorial organs throughout the province actively conducted work on lodging complaints or appeals, handled 26,904 cases concerning people's letters and visits—an increase of 47.5 percent over 1987—and provided clues for 5,701 cases. While investigating the complaints and appeals, the procuratorates at all levels handled 682 cases in which the persons involved were not "arrested or prosecuted or the persons involved were exempted from punishment," and cases in which the criminals were released after serving prison terms but lodged appeals again, suggested the courts change the court decisions on 11 cases, lodged lawsuits on 48 cases, and rehabilitated and straightened out 76 wrong cases. We also contested 262 cases whose lawsuits were unjustified, advised some persons involved not to lodge appeals, and canceled 80 decisions concerning cases where advise not to lodge lawsuits was wrongly given.

The procuratorial organs throughout the province persisted in conducting activities to receive people's visits in a civilized manner, enthusiastically served them, handled the visits and letters of 136 households in a better manner, and reduced the number of repeated visits and letters, effectively persuading 144 collectives not to appeal to the higher authorities for help, thus calming down a number of affairs.

4. We fully applied the procuratorial functions, tackled problems comprehensively, and safeguarded and promoted the development of productive forces.

In 1988, the procuratorates throughout the province established 455 networks to coordinate efforts to comprehensively tackle problems, held democratic dialogues with more than 900 plant directors, managers, and entrepreneurs, helped enterprises recover 38.87 million yuan of lost funds, saved 64 enterprises, and supported 274 enterprises to end deficits, increase profits, and develop production.

In the course of their work, the procuratorial organs throughout the province strictly handled criminal activities that disrupted the development of productive forces in line with the law. First, they dealt strict blows to criminals who carried out violence on their plant directors, managers, and responsible persons of enterprises. They approved the arrest of 84 criminals of this type. All

of them were prosecuted at courts. Second, they eliminated "moths," arrested more than 320 criminals in enterprises, and helped enterprises eliminate "tigers" who blocked the road.

5. We firmly grasped self-reform and self-cultivation work, and further improved the quality of the procuratorial ranks.

In 1988, the procuratorates at all levels universally implemented the system of assuming responsibility for management by objective, established the democratic dialogue system, implemented the internal regulatory mechanism while accepting and hearing cases, conducted on-the-job training for cadres, established the press spokesman system, set up procuratorial offices in tax departments, established economic crime report centers, comprehensively cleaned up and improved all regulations and systems, strengthened and improved ideological and political work, readjusted internal organs, and instilled new vitality into the procuratorial work.

The procuratorial organs throughout the province grasped the building of procuratorial contingents as one of the strategic tasks, and adopted effective measures to raise their political and professional levels.

Efforts were made to strengthen and improve ideological and political work, promote ideological construction, persist in consolidating discipline, and improve building workstyle. A total of 860 cadres and policemen of the procuratorates at all levels refused to plead for 4,794 persons, declined the offer of dinner parties from 5,214 persons, refused to accept gifts worth more than 82,000 yuan, and refused to accept more than 114,000 yuan of bribes. The units and individuals concerned presented 101 plaques and 118 silk banners to the procuratorial organs. During the year, 12 people were named outstanding chief procurators, 45 were named advanced collectives, and 169 were named advanced workers.

We persisted in firmly grasping cadre training and turned them into specialized personnel. At present, among the province's procuratorial cadres and policemen, 2,195 persons had received college education or above, accounting for 48.45 percent of the total number of cadres and policemen.

During the past year, the province achieved certain achievements in procuratorial work. However, some problems still existed in our work. The main problems were: We failed to strictly enforce the law, to effectively give legal supervision, to firmly grasp self-cultivation, and to meet the needs of the development of the situation. The problems concerning the lack of cadres of procuratorial organs, the shortage of the means of transportation and funds for handling cases, and the backward technology and equipment remained to be solved. These problems should be solved during this year. In the days to come, the basic tasks of the procuratorial organs are: We should focus the work closely on the central tasks

of the party, the state, and the provincial party committee and government, fully display the law supervisory function, continue to deal heavy and quick blows to criminal activities in line with the law, guarantee further stability in social security, continue to deal strict blows to serious economic crimes focusing on corruption and bribery in line with the law, achieve remarkable results in fulfilling the strategic demands of reducing the number of corruption and bribery cases to the minimum, keep the party and government organs honest and clean, safeguard a stable and united political situation, and serve the smooth advance of the attempt to improve the economic environment, rectify the economic order and comprehensively deepen reform, promote the building of socialist democracy and the legal system and the development of social productive forces. In 1989, the procuratorial organs throughout the province should prominently grasp the struggle against crimes concerning corruption and bribery, and achieve breakthroughs in grasping major and appalling cases that produce great influence, involve large amounts of money and cause great harms, and resolutely investigate and handle serious economic cases concerning tax evasion, refusing to pay taxes, making false trademarks, and misappropriating public funds. We should resolutely launch struggle against serious criminal offenses, educate the broad

masses of procuratorial cadres and policemen to correctly analyze our province's rigorous social security situation, continue to implement the principle of "dealing heavy and quick blows to criminals," and deal blows to murderers, robbers, rapists, and criminals who are involved in grave thefts, criminal ring leaders, gambling ring leaders and professional gamblers, and exercise the legal supervisory responsibility. We should conscientiously supervise the investigation activities of public security organs, the judicial activities of the people's courts, and the transformation work of jails and reformatories to see whether they are legal. In addition, we should strengthen supervision over procuratorial organs in handling cases with their own efforts, persist in managing the procuratorial organs strictly, strengthen and improve ideological and political work, and strive to build competent procuratorial contingents with a fairly high political, legal, and professional level. We should consciously receive leadership from the party committee and supervision from the People's Congress as well as from the masses, make public the situation of procuratorial work, major activities, and the results of major cases to society, hear opinions extensively, conduct all procuratorial business of the procuratorial organs in a down-to-earth manner and improve their quality.



### Government Work Report

SK1604040089 Shenyang LIAONING RIBAO in  
Chinese 15 Mar 89 pp 1-3

[Government work report given by Li Changchun, governor of Liaoning Province, at the 2d session of the 7th Liaoning Provincial People's Congress on 7 March 1989]

[Text] Fellow deputies: Now I, entrusted by the provincial people's government, would like to deliver a work report for consideration and examination.

### 1. The Review of 1988 Work

Over the past year, under the correct leadership of the CPC Central Committee, the State Council, and the provincial party committee; on the basis of the work done by the former provincial people's government; and in line with the spirit of the 13th CPC Congress and the fighting targets set forth by the 7th National People's Congress [NPC] and the 1st session of the 7th provincial People's Congress, we have taken economic construction as a central task, extensively conducted reform in economic systems, accelerated the pace of opening the Liaodong Peninsula to the outside world, and promoted the province's national economy and various undertakings to achieve development. Since the 3d Plenary Session of the 13th CPC Central Committee, we have earnestly implemented the central principle of "improving the economic environment, rectifying the economic order, and deepening the reform drive in an overall way"; adopted a series of policies and measures for improvement, rectification, and the deepening of reform; dealt with the new problems which have cropped up in economic development; made a good start in the work of improving the environment and rectifying the order; and enabled Liaoning to steadily maintain social peace and unity, to achieve stable development in production, to foster a good trend in effective supply, to better fulfill the plan for the national economy and social development, and to have various fronts score new achievements, thus bringing about a good general situation throughout the province.

#### A. We Continued To Deepen Reform, and Enterprises' Vitality Continuously Grew.

The year 1988 was one in which the province achieved steady improvement and extensive development in the reform of economic systems and popularized on a large scale and scored achievements in experimental work in line with the foundation accumulated in the work over the past several years. The overwhelming majority of enterprises throughout Liaoning enforced the responsibility system of contract, lease, and management, bringing about an increase in enterprise vitality and effectively ensuring production to achieve stable development and the financial revenue to continuously grow. We implemented the "enterprise law" and achieved new development in the reform of enterprise

internal coordination. Industrial and commercial enterprises, whose production is covered by the budget, enforced plant director (manager) responsible systems and large and medium-sized enterprise tried to enforce the system of personnel recruitment. The state-run enterprises enforced the labor contract system in recruiting their staff members and workers. The province achieved new results in labor optimization and combination of enterprises. Forty-five percent of the enterprises throughout the province, whose production is covered by the budget, enforced the system of integrating wages with economic results and popularized the distribution systems of various kinds. The 335 enterprises in the province conducted the experiment of opening their management to the public, actively explored the reform in the relationship among property rights, conducted the pilot work of enforcing the stock-share system, enforced enterprise combination, continuously conducted the auction of small enterprises, and vigorously developed lateral economic associations. At present, the province has organized 147 enterprise associations of various kinds and achieved new development in the internal economic and technical cooperation of various kinds. In 1988, the enterprises signed 13,000 contracts on economic and technical cooperation, which involved materials worth 3.75 billion yuan, and promoted economic prosperity in both urban and rural areas throughout the province. We continued to carry further the reform drive in circulation systems; formulated some new managerial methods; and enabled the markets of capital goods, daily consumer goods, technologies, and labor forces to achieve improvement and development in varying degrees. We also began to conduct reform in investment systems, to actively enforce social labor insurance system, and to conduct pilot work in the housing system; and achieved certain results in these fields. Liaoning is extensively carrying out the pilot work of conducting comprehensive reform in county and district systems. While successfully conducting reform of microeconomic mechanisms, we began to pay attention to enhancing macroeconomic control and to formulate some macroeconomic control measures, including policies on industries and management over the types of products. All of these have played a role in promoting the readjustment of the economic structure.

#### B. The Pace of Opening to the Outside World Was Accelerated and the Export-Oriented Economy Was Greatly Developed.

In line with the guidelines of the decision to accelerate development of the export-oriented economy in the Liaodong Peninsula made by the provincial party committee in the beginning of 1988, governments at various levels took opening up to the outside world as strategic priorities for the rejuvenation of the economy, formulated plans for developing an export-oriented economy, conducted reforms to facilitate Liaoning's opening to the outside world, and conducted reforms and the work of opening to the outside to promote economic development. We deepened the reform of economic and trade

systems, brought about the separation of government functions from enterprise management and combined economics and trade, established local foreign trade companies, approved the setting up of a group of enterprises with decision-making powers to manage export trade, organized and set up 43 large enterprise associations with decision-making powers to manage export trade, and set up 312 special plants and bases for the production of export commodities. The foreign exchange earnings from exports increased by a big margin. The total volume of commodities purchased for foreign trade reached 9.41 billion yuan, an increase of 31.5 percent over 1988. The total export volume reached \$3.87 billion, an increase of 2.3 percent over the previous year. Of this, the foreign exchange earnings from the export of goods provided by Liaoning (excluding petroleum and finished products) reached \$1.89 billion, an increase of 25.1 percent. Liaoning signed 514 contracts on using foreign capital, an increase by 1.58 times; and \$1.322 billion were involved in the contracts, an increase by 1.34 times. A total of \$550 million were actually used. Contracts on building 266 "three-capital" enterprises [enterprises with capital from the 3 sources] were signed during the year, exceeding the total since we opened Liaoning to the outside world. Compensations trade and industries involving processing and assembling with materials and specifications provided by foreign firms were greatly developed. The province signed contracts for processing and assembling 108 items in foreign countries. A total of \$140 million could be earned, 1.8 times the figure in the past 9 years. The province received some 100,000 tourists; and earned \$55.42 million from tourism, an increase of 77.9 percent over the previous year. Gratifying progress was made in the construction of the Dalian economic and technological development zone, the Yingkou Bayuquan export and processing zone, and the Shenyang Tixi industrial transformation zone. Some of the items in these zones have been put into operation and scored results.

The environment for the open policy has improved to a certain degree. Dalian and Jinzhou power plants' three generating units with installed capacity of 939,000 kw have begun feeding into the grid. Dalian Heshangdao port area's three wharfs were completed and commissioned ahead of schedule. The project for changing the railway lines in Shenyang Beixin passenger station was completed. The Shenyang-Anshan and the Dalian-Sanshibaoqu sections of the Shenyang-Dalian superhighway were closed to traffic. The Shenyang Taoxian airport finished its trial flights. Dandong's Dadong port and Yingkou's port formally opened to the outside world in 1988. The number of international telephone lines in Liaoning rose from 24 in 1987 to 46 in 1988. The number of program-controlled telephones increased. Seven cities and four counties have installed international direct dialing systems. New special expresses running between Shenyang and Dalian, named "Liaodong Peninsula," were newly added. Civil aviation air routes from Shenyang to Fuzhou, Guangzhou, and Haikou and from Dandong to Guangzhou were opened.

Chartered airplanes flying directly between Shenyang and Xiamen, between Dalian and Hong Kong, and between Shenyang and Hong Kong were added. Greater improvement was made in the intangible conditions for investment. The province successively formulated preferential policies on attracting foreign investment, delegated rights to using foreign capital to the lower levels, and simplified the procedures for examining and approving foreign capital use. All this has promoted the transformation of government functions. Some cities set up foreign-funded companies and foreign-funded consultative and service companies. Some areas adopted the methods of handling affairs cooperatively or on the spot and of providing services to solve the problems that must urgently be solved in the course of opening the country to the outside world. Economic stations under the Liaoning broadcasting station and the Liaoning television station were set up in order to improve economic information.

### C. New Development Was Made in the Rural Commodity Economy

Based on summing up the historical lessons from agricultural development, we conscientiously implemented the guidelines of the first session of the Seventh Provincial People's Congress, further deepened our understanding of the strategic position of agriculture, ceaselessly deepened the reform of the rural economic structure, tried every possible means to increase agricultural inputs, firmly attended to capital construction of farmlands, accelerated the construction of non-staple food production bases, actively popularized technologies for increasing agricultural production, paid firm attention to the preparatory work for and the construction of projects for enhancing the strength of the foundation of agriculture, and promoted the development of the rural commodity economy.

Along with continuously improving the family-based output-related contract responsibility system, we began to strengthen the service functions of the two-level cooperative economic organizations in townships and villages. We established and improved various types of business and service organs, and gradually improved centralized and decentralized management mechanisms. The new, multi-level agricultural investment system with peasants as the main body was set up. Last year, Liaoning's budgeted funds for the support of agriculture reached 630 million yuan, an increase of 11.3 percent over the previous year, exceeding the increase in financial revenues. Together with 230 million yuan of extra-budgetary funds for supporting agriculture, including working funds for supporting agriculture, the funds for vegetable fields and for cultivating trees, the increase of funds for supporting agriculture was 24.4 percent over the previous year. After the promulgation of the No. 45 document issued by the Liaoning Provincial Government in 1988, all localities actively implemented the policies to support agriculture. Based on estimates, the funds for using industry to serve and support agriculture reached 368 million yuan, showing a remarkable increase over the previous year. The agricultural loans

issued by banks and credit cooperatives increased 17 percent over the previous year. The funds that peasants used to buy agricultural capital goods and collective investment also increased remarkably. Promoted by the "Dayu Cup" emulation drive, Liaoning achieved great progress in farmland capital construction. Last year, the province as a whole completed 380 million cubic meters of earth and stone works, 4.4 times the average annual amount of earth and stone works completed during the previous 10 years, which was equivalent to the total sum completed during the Sixth 5-Year Plan. The province as a whole improved more than 20 large and small water drainage channels; built more than 10,000 bridges, culverts, sluice gates, and other supporting buildings; built and repaired more than 70,000 irrigation projects of various kinds; built and improved more than 1.4 million terrace fields; improved more than 2.3 million mu of soil; harnessed medium-sized and small rivers totalling more than 4,000 kilometers in length; improved the water drainage conditions of more than 6.4 million mu of arable lands that are liable to waterlogging; expanded the irrigated areas by 940,000 mu; afforested 2.243 million mu of land; planted more than 100 million mu of trees on a voluntary basis; accelerated the pace of controlling the main body of water of the Liao River; achieved new progress in water and soil conservation; and improved the conditions for agricultural production. We applied science and technology to promote agricultural development and achieved new results in implementing the "bumper harvest plan" and the "spark plan," and in carrying out the "123 projects." Last year, despite some natural disasters such as drought, our province still reaped a fairly good harvest. The total agricultural output value reached 10.41 billion yuan, an increase of 5.9 percent over the previous year; the total output of grain and soybeans reached 13.072 million tons, an increase of 2.4 percent over the previous year. We also witnessed fairly good development in building non-staple food bases centering on the production of meat, eggs, vegetables, poultry, milk, and fish. The construction of these non-staple food bases played a decisive role in stabilizing markets in Liaoning. The development of township enterprises was remarkable. The volume of foreign exchange created through exporting agricultural products reached \$600, an increase of 27.6 percent over the previous year. The strength of the rural economy grew. Liaoning's total products of the rural society reached 50.37 billion yuan, an increase of 23.4 percent over the previous year. We conducted appraisals, worked out plans and collected funds for some key projects, which were aimed at accumulating momentum for agricultural development, such as the development of the Liao River delta and the transformation and construction of key chemical fertilizer plants, and laid a foundation for comprehensively implementing these projects.

**D. Industrial Production Continued to Increase Constantly and Steadily and Economic Results Improved Slightly.**

Last year under the situation in which there were a serious shortage of power, raw materials, and funds and a strained situation in transportation, Liaoning overcame all types of difficulties and continued to maintain a stable and balanced increase in industrial production. The total industrial output value reached 103.071 billion yuan, an increase of 15.2 percent over the previous year. The total industrial output value was 86.84 billion yuan if the total industrial output value of villages and below the village levels are excluded, an increase of 11.7 percent over the previous year. Of this, the growth of light industry was quicker than that of heavy industry, and the growth of collective industry was higher than that of state-run industry. The increase of township industrial and export products was much greater than the increase in the entire industry. The output of major industrial products, scarce products, agriculture-oriented products, and products that helped to withdraw currency from circulation increased by a large margin. Economic efficiency The economic results improved. The profit-tax rate of funds of the local budgeted enterprises throughout the province rose from 21.96 percent of last year to 22.75 percent. The per-capita labor productivity increased by 8 percent over the previous year. The local financial revenues reached 11.756 billion yuan, an increase of 8.9 percent over the previous year, which was better than estimated. At the national appraisal for industrial products, 22 of Liaoning's products won national awards for products of outstanding quality and among these, 8 won gold medals.

**E. The Strategic Idea of "Developing Liaoning Through Science and Technology" Was Defined, And Scientific and Technological Development Was Promoted.**

Last year, the provincial party committee and government made a "decision on revitalizing Liaoning's economy through scientific and technological progress," defined the strategic idea of "developing Liaoning through science and technology," and issued policy measures corresponding with them, thus further facilitating structural reform in science and technology and promoting the close coordination between scientific research and production. Another 32 research institutes in the province achieved financial independence, 59 enforced various forms of the contracted management responsibility system, 9 became part of enterprises, and more than 30 scientific research units took the road of integration of scientific research units with industrial and foreign trade units and integration of scientific research units with agricultural and foreign trade units. Nongovernmental scientific research organs developed rapidly, with their numbers increasing from 400 in the preceding year to more than 1,300. The number of various types of scientific and technological commodity development, management, and service organs reached 1,200, and their transactions were close to 830 million yuan, 50.9 percent more than the preceding year. Liaoning scored 3,606 scientific and technological achievements in natural sciences, of which 47 won state-level awards. The establishment of experimental zones and enterprises that



are in the lead in science and technology are being carried out in a planned manner. Construction of Shenyang's Nanhu scientific and technological street was already started, progress was made in robot demonstration, large-scale integrated circuits, and other high-tech projects, and a number of new technological achievements, such as electrostatic technology and activation technology, are being transferred to the production sphere and will form a new industry. **F. New Progress Was Achieved in Education and Culture in the Process of Reform.**

Last year, conscientiously following the resolution of the first session of the Seventh Provincial People's Congress, we placed education high on the agenda of governments at various levels and furthered the reform of the education structure step by step, thus facilitating the development of education. The "compulsory education law" is being enforced, and 9-year compulsory education is being popularized in an orderly way. We improved day by day the system of "letting schools be run and managed by different levels", applied to elementary education. All localities paid particular attention to resolving their shortage of education funds. The provincial government issued a decision on increasing education funds for primary and middle schools, namely the 1988 document No. 60 of the Liaoning Provincial Government. With the implementation of this decision, education funds increased notably. Last year, Liaoning's budgetary education funds increased by 250 million yuan, 26.3 percent more than the preceding year. Of the total, 36.3 million yuan of special funds was issued by the provincial government for use in the primary and middle school education of poverty-stricken counties and areas of minority nationalities. Extra-budgetary investment in education, including the money earned from the work-study program and education surcharge, totaled 598 million yuan, an increase of 42.7 percent over the preceding year. Repair of the dangerous buildings of primary and middle schools proceeded fairly rapidly, and repair of 600,000 square meters of the buildings was completed. Overdue wages to teachers of schools run by local people were paid by and large before the spring festival this year. Teaching conditions of schools of higher learning were further improved. The structure of city secondary vocational and technical education became more rational, management of various categories of adult education was strengthened continuously, encouraging results were achieved in the work-study program, and new progress was made in workers' education focusing on on-the-job training and in preschool education, education of people of minority nationalities, and special education.

In public health, we adhered to the guiding principle of putting prevention first, combining prevention and treatment, and serving to guarantee the people's health and expedited reform of the medical and health structure. We further strengthened management of hospitals, and improved medical service facilities. Hospital beds increased by more than 14,000 throughout the province,

and individual practitioners increased to 5,311. Epidemic prevention and maternity and child care were reinforced. New development was achieved in the patriotic public health campaign and the prevention of endemic diseases.

Good results were achieved in family planning, and the population birthrate, natural growth rate, and the number of babies born all declined.

A new situation of vigorous development emerged in the sports activities. Relatively good scores were achieved at international and domestic sports contests. Preparations for the second national youth sports games were accelerated.

Culture and art undertakings picked up momentum, and a number of good-quality spiritual works were produced, yielding relatively good social efficiency. New progress was made in all broadcasting, television, press, and publishing undertakings. **G. Urban and Rural Markets Became Increasingly Brisk, and the Living Standards of the People Improved Somewhat.**

Last year, all localities conscientiously implemented the guidelines of the meeting on the tertiary industry, held by the provincial government, sped up the construction of commercial, catering, service, and repairing centers; and opened and newly built a number of permanent country markets and fixed market stalls, thus creating necessary conditions for enlivening urban and rural markets and for strengthening control over commodity prices. Last year, affected by the trend of "panic buying," price fluctuation appeared in the markets for a time. However, after some measures were adopted, prices tended to become stable, and the supply of daily necessities was basically ensured. The total volume of retail sales in the province amounted to 40.27 billion yuan, an increase of 28.7 percent over the previous year. After deducting the factor of price rises, the real increase was 7.9 percent. Incomes of urban and rural residents continued to increase. The total volume of wages to workers and staff members throughout the province registered an increase of 22.4 percent over the previous year. The annual per-capita income of urban and rural residents available for living expenses was 1,095.97 yuan, an increase of 22.97 percent over the previous year. After deducting the price hike factor, the income registered a real increase of 2.8 percent. The annual per-capita income of peasants was 699.38 yuan, an increase of 16.7 percent over the previous year. After deducting the price hike factor, the real increase was 6.4 percent. Construction of residences was further accelerated. The total floor space of residences constructed in urban areas was 10 million square meters. The residential investment made by the state departments showed an increase of 41.5 percent over the 1987 figure, with its proportion in the total residential investment rising from 15.8 percent in 1987 to 18.6 percent in 1988. The total

floor space of residences built through the investment of state departments came to 4.803 million square meters, an increase of 20.5 percent over 1987.

New improvement was made in the living environment of the people. Through the "green leaf cup" emulation drive, urban and rural construction and environmental construction were strengthened. More than 2.5 million square meters of roads were built or expanded in urban areas of the province. A number of water, gas, and heat supply projects, as well as water drainage, anti-flood, and anti-earthquake projects were completed. The gas utilization rate in urban areas reached 54 percent. Tap water was supplied to another 600,000 people in 951 villages and towns. New progress was made in pollution control, and there was an improvement in the environment of some places. H. The Building of Democracy and the Legal System Was Strengthened, and the Political Stability and Unity Was Maintained.

With a view to creating a good social environment for reform and construction, all localities went all out to consolidate public security and social order by solving prominent problems in different periods. On the one hand, these localities dealt severe and prompt blows to serious criminal cases and economic crimes according to the law. On the other hand, they organized special forces to struggle against special cases, vigorously mobilized the social forces to maintain social order, and conducted comprehensive administration over public security by encouraging the masses to prevent and deal with criminal cases. They commended a number of advanced figures who were ready to take up the cudgels for a just cause, and strengthened the social prevention and administration work, thus basically keeping the social order stable. The setting up of local regulations was strengthened, and the education on popularizing legal knowledge witnessed new progress. New results were scored in the work of supporting the army, giving preferential treatment to family members of the servicemen, supporting the government, and cherishing the people. Remarkable results were achieved in the army-civilian and police-civilian joint activities. The army's relationship with the government and the people was further strengthened.

The province made new achievements in the fields of civil administration, foreign affairs, nationalities affairs, religious affairs, tourism, the people's air defense, and militia work, in the course of building the two civilizations.

When we review the work of the province for the past year, what we should particularly summarize is that since the 3d plenary session of the 13th party Central Committee, governments at various levels have followed the arrangements of the seventh (enlarged) plenary session of the sixth provincial party committee to concentrate efforts on the work of improving the economic environment, rectifying the economic order and comprehensively deepening reform. The provincial government

established five offices for conducting tax, finance, and price inspections, pruning fixed asset investment project, controlling credit and foreign exchange, rectifying the circulation order, and pruning administrative companies and the enterprises run by party and government organs to take charge of the routine work for the improvement and rectification; 17 inspection groups composed of more than 100 persons from provincial organs, democratic parties and mass organizations were organized and sent to various cities and provincial organs to help with improvement of the economic environment, rectification of the economic order, and deepening of reform; the 76 specific tasks assigned to relevant provincial departments in line with the major points for carrying out the improvement, rectification, and reform worked out by the provincial party committee and government were fulfilled one by one; a series of measures were adopted to tackle the urgent problems in the province's economic activities, such as strained supplies of funds, coal, electricity, and means of transportation, and in the people's everyday life, such as power and water cuts, and some of these problems began to be alleviated; and management was carried out emphatically and the necessary policy of selecting the best for support was implemented toward the 15 daily necessities for the people and the 38 scarce commodities, thus providing favorable conditions for increasing effective supply, withdrawing currency from circulation more quickly, controlling price rises, and checking inflation. Thanks to several months of concerted efforts by various fields, our province achieved initial results in the work of improvement and rectification: good results were achieved in pruning projects under construction, with 144 projects suspended and postponed, and 660 million yuan of investment reduced, and the scope of fixed asset investment was kept within the planned target; the trend of a sharp increase in loans was checked, and the loans for various purposes were kept within the state-prescribed targets; the state-assigned targets for cutting the amount of funds tied up in overstocked goods and for recalling overdue and idle loans were overfulfilled; notable results were achieved in the large-scale tax, finance, and price inspections, and 530 million yuan of funds gained in violation of discipline were discovered, 370 million yuan of which had to be turned over to the treasury and 85 percent of which was already turned over to the treasury; consumption funds were kept at the same level as in August last year, institutional purchases were brought under control, and the expenses on purchasing special-control commodities were reduced by 16.6 percent from the preceding year; and the work to prune the enterprises run by party and government organs was by and large completed, and rectification of administrative companies proceeded smoothly. Through improvement and rectification, the circulation order in the market began to improve, various breaches of discipline began to disappear, the phenomena of arbitrary price hikes were reduced considerably, and the prices of some commodities began to drop. Last year, the province's autumn

vegetable supplies were ample and their prices were reasonable, and the commodities on new year and spring festival markets were abundant. The masses were fairly satisfied with this.

People began to attach importance to honesty in performing official duties. The provincial government launched in-depth "public servant cup" emulation activities aimed at "remaining clean and honest, carrying out solid work, achieving high efficiency and creating the new," formulated 10 regulations for government organs to remain clean and honest in their official duties, and tried out the appointment-through-examination system to recruit new personnel of government organs, and the open invitation system to appoint section-level cadres. Corruption-reporting centers were established at supervision, industrial, and commercial administration, taxation, and price departments, and many localities began to explore ways to make public the work systems and work results of government organs and to establish multi-layered mass supervision networks, thus raising the awareness of government personnel in remaining clean and honest and maintaining honesty in the official duties of the organs.

In short, our province achieved new progress in various fields of work. The past year marked the 10th year of reform conducted from rural areas to urban areas since the 3d plenary session of the 11th party Central Committee. When reviewing the past year and thinking about the past 10 years, we may say that the past 10 years were a period in which tremendous changes took shape in our province, and a period in which the masses of cadres and ordinary people emancipated their minds continuously and greatly enhanced their sense of reform and opening up. Just as the central authorities have assessed, "the 10-year reform has yielded tremendous achievements."

These 10 years were a crucial period during which our province began to break with the outdated mode of the product economy and gradually made the transition to the new system of the planned commodity economy, a period during which we ended the closed and semi-closed state of the economy and took crucial steps toward the outside world; and a period during which our province's economic strength was remarkably increased and the people's livelihood noticeably improved. Last year, our province's gross national product (GNP) reached 77.5 billion yuan, an increase of 10.3 percent over the previous year, or an increase of 119.3 percent over 1980; the total industrial and agricultural output value reached 113.5 billion yuan, an increase of 14.3 percent over the previous year, or an increase of 114.6 percent over 1980; the national income reached 65.5 billion yuan, an increase of 10.5 percent over the previous year, or an increase of 93.4 percent over 1980. The annual average per-capita income of the urban residents and the annual average per-capita net income of peasants showed an increase of 44.8 percent and 104.8 percent respectively over 1980, if the price-rise is factored in. Several major economic targets showed a

100-percent increase basically two years ahead of schedule. Practice proved once again that the basic line for the party's initial stage of socialism, with one central task and two basic points as the main content, which was set and summed up in the period from the convocation of the 3d Plenary Session of the 13th CPC Central Committee to the 13th CPC Congress, was absolutely correct. And the general principles and policies formulated by the CPC Central Committee on reform and opening up were also absolutely correct. The guiding ideology that the provincial party committee formulated in accordance with the line, principles, and policies of the central authorities on further emancipating thinking, eliminating the "leftist" and old ideological influence, persisting in the criterion of productive forces, and working hard to invigorate Liaoning, serve the whole country, and march toward the world was absolutely correct. We must continue to advance our province's socialist undertakings in this direction.

During the past year, our province scored achievements in various fields. This was a result of our conscientious efforts to implement the party's line, principles, and policies under the CPC Central Committee and the State Council and of the united and strenuous efforts of the people of various nationalities throughout the province. We would not achieve this without the provincial People's Congress's efforts to provide supervision and support in line with the law, and the democratic supervision and support given by the provincial CPPCC committee, the various democratic parties, various mass organizations, and the patriotic personages from all circles, and the active support and close cooperation given by the People's Liberation Army (PLA) stationed in Liaoning and the various central units stationed in Liaoning. Now, let me extend lofty respect to the workers on all fronts, peasants, intellectuals, cadres and the patriotic personages from all fields on behalf of the provincial government and extend heartfelt thanks to the broad masses of commanders and fighters of the PLA stationed in Liaoning and comrades of all central units stationed in Liaoning.

While witnessing our achievements, we also recognized that there were still many shortcomings and defects in our provincial government work, and there were still many difficulties and problems facing us. The main problems were that last year the increase in commodity prices was too big. The price index increased 19.3 percent over the previous year, which was far beyond the capacity to withstand the strain of change on the part of the financial departments at all levels and the masses of people. The "buying spree" that emerged during the second half of the year aggravated the confusion in the order of price rise and banking. The rapid increase in the prices of nonstaple foods and agricultural capital goods in particular aggravated the burden of the financial departments, enterprises, and the masses. The living standards of some people declined. This was caused by the state's failure in macro-control, our insufficient estimate of the new situation and new problems that might



occur after reform and opening up, and the lack of effective management and essential supervision and inspection. Although we studied much how to invigorate the economy, we failed to adequately study the confused phenomena that might emerge in our economic order and failed to adopt a long-term view of the various types of companies emerging in the circulation sphere and the confused phenomena that might occur. Our work guidance was ineffective. We lacked measures to prevent the out-of-control situation, failed to deal effective blows to arbitrary price hikes and the acts of cheating and dominating the market, and failed to effectively manage the individual and the private economies.

We have paid more attention to enlivening the micro-economy in the course of reforming the economic structure. We must do so. However, the macroeconomic dislocation that may emerge cannot be predicted, and we are not good at solving problems in line with the methods of reform. There has been an attitude of competing for economic growth rate. Our province's economic growth rate has been lower than the national average levels for many years. Due to the low economic growth rate, there are great financial difficulties, and people in all fronts have complaints. Burdened with ideological pressure, we have tried to register a higher economic growth rate. So, there are "excessively hot" problems in the ideologies for guiding the economic work. The major indicator is that the investment in extra-budgetary fixed assets and consumption funds increased at an excessively high speed. The power industrial construction has lagged behind other industries. There are strains on electricity at present. Due to the little rainfall since last summer, several large reservoirs of the Northeast China power grid have faced the lowest water levels since the founding of the PRC. Thus, the hydropower production volume decreased by a big margin. Meanwhile, thermal powerplants failed to start full operation due to the strains on the production and transportation of the coal, whose distribution is arranged according to a unified plan. However, there are some subjective problems, such as our failure to predict the strained situation in electricity production or to make sufficient investment in power industrial construction. Public order is still a problem that the people have generally shown concern. Some unstable factors still exist. The masses in some localities do not have a sense of safety.

There are comparatively more cases of heavy casualties. Our workstyle is not solid enough. The excessive additional arrangements were not completely implemented. Take the agricultural and educational problems, which the vast number of the people have paid attention to, for example. Although we have set up input mechanisms at various layers, some areas failed to completely implement them due to the lack of effective supervision, inspection, and specific guidance. In particular, we failed to sufficiently study the educational development strategies and plans. We failed to make necessary investigations and studies of some major problems concerning

reforms and construction or to persist in democratic and scientific formulation of policy decisions. We must substantially solve these problems in our work ahead.

At present, our province has made a good start in improving the economic environment and rectifying the economic order. But, the governments are confronted with a series of new situations and new problems in their work. There are strains on coal, electricity, capital, transportation, and raw materials, the external conditions for enterprises' production tend to worsen, and there are great difficulties in industrial production. The strains on funds are due to the influence of inflation, the tightened state money market, and the process that we must go through in readjusting the province's economic structure. Last year's little rainfall not only brought about serious strains on electricity but also threatened this year's spring sowing. The tasks for making this year's price hikes noticeably lower than those of last year are extremely arduous due to the influence of last year's price hikes and the spontaneous raises in the prices of the commodities after being decontrolled. Liaoning's industrial structure was inevitably affected first in the course of economic readjustment. The industrial growth rate will noticeably slow down. This will further enhance our financial difficulties. A number of enterprises in our province will not be able to begin full operation due to the influence of some factors. It is certain that there will be an increase in the number of money-losing enterprises this year. Urban laborers' employment will be directly affected. At the same time, some new situations and problems will emerge in the ideological and political field. In improving the economic environment and rectifying the economic order, we will be confronted with some new contradictions. All this will bring about new difficulties into the work of the governments at various levels. We must make ideological preparations to face and overcome new difficulties.

The difficulties and problems that we are confronted with are actually serious. Generally speaking, these difficulties and problems are ones cropping up in the course of advance and development. When compared with the previous economic structural readjustments, we have many incomparable favorable conditions now. The first is that this economic readjustment is carried out under the condition of opening to the outside world. This has expanded the room for maneuverability in the course of readjustment.

Particularly since the province opened Liaodong Peninsula, it has achieved great development in its foreign economic relations and trade and greatly improved its climate for opening to the outside world, thus opening up broad prospects for the development of the export-oriented economy. The current general world situation is shifting from a tense one to detente, and from confrontation to dialogue. This has provided a good environment for us to explore the world market on a larger scale. Worldwide adjustment of the industrial structure and

realignment of international division of labor have provided us with more opportunities to participate in world competition and enter the world market. We have become able to change from our sole reliance on the domestic market to reliance on both the domestic and world market, and to blaze a new trail in the world market. Second, the present adjustment is carried out in the condition in which the economic structural reform is being deepened continuously, and enterprises have considerably increased their vigor. The 10-year reform, especially the extensive application of the contracted and leased management responsibility systems, has enabled enterprises to remarkably improve their sense of the commodity economy and their ability to endure difficulties and for self-improvement. This is conspicuously different from the past situation in which enterprises remained passive in coping with difficulties in the condition of a product economy. In particular, with the continuous deepening of enterprise reform, the masses of cadres and ordinary people will certainly further arouse their spirit and turn their enthusiasm boosted by reform into a tremendous force to conquer the current difficulties. Third, the present adjustment is carried out when our province's economic strength has continuously increased and its technological foundation is substantial. Thanks to many years of efforts, the economic strength of the rural areas of our province has increased, the industrial technical transformation has been expedited notably, and a number of new transformation projects will be put into operation one after another; and the scope of foreign capital utilization has been continuously expanded, more than 200 Chinese-foreign joint ventures and cooperative enterprises and exclusively foreign-funded enterprises will go into operation one after another this year and the next, and more than \$2 billion of foreign capital has been distributed to our province, thus instilling new vitality to our economic development. This will also help alleviate to a certain extent some enterprises' lack of production tasks and funds. Fourth, our province is a raw material industrial base. Although it also faces shortages of some raw materials, in general, it possesses more favorable conditions than others for easing the contradictions between supply and demand. As long as we adopt a correct means for macro regulation and control, and carry out political mobilization, economic compensation, and administrative intervention, we are capable of reducing to the minimum the adverse influence created by shortages of raw materials to production. Fifth, the guidelines of the 3d plenary session of the 13th party Central Committee have provided a powerful ideological weapon for us to conduct economic adjustment successfully. The major policy decision on improvement and rectification made at the session totally conforms to the reality of Liaoning and enjoys the enthusiastic support of the masses of cadres and ordinary people. This is an important foundation for us to overcome difficulties. The party's leading, central, guaranteeing, and supervisory role is being strengthened, our political advantages are further developed, and the

unity of the people throughout the province will be greatly strengthened. This constitutes the greatest motivating force and the most effective guarantee for us to overcome difficulties.

## 2. Major Work for 1989

This year marks the first year for improving the economic environment, rectifying the economic order, and comprehensively deepening reform, and the fourth year for implementing the Seventh 5-Year Plan. Exerting efforts to make this year's work successful is of great significance in thoroughly implementing the guidelines of the 3d plenary session of the 13th party Central Committee and achieving notable results from it. Following the arrangements of the party Central Committee and the State Council, we should unwaveringly implement the major policy decision of improving the economic environment, rectifying the economic order, and comprehensively deepening reform. This will enable us to conquer the current numerous difficulties more smoothly. However, its more positive and far-reaching significance lies in the fact that it will provide opportunities for us to optimize the economic structure, facilitate a benign economic circles, and establish more quickly a new order for the socialist commodity economy.

Although there are still quite a few problems and difficulties in our road of advance, we will certainly be able to embark on a new path of stable economic development and continuously advance our province's reform and construction under circumstances in which difficulties and opportunities coexist and pressures and incentives coexist, so long as we unite our thoughts with the guidelines of the 3d plenary session of the 13th party Central Committee, work hard amid difficulties and strive for development amid readjustment with an enhanced spirit and confidence, and make full use of the current favorable conditions to closely link stability, reform, and development.

During this new year, we should work out overall plans in line with the guidelines of the 3d plenary session of the 13th party Central Committee: should regard economic construction as the central task; should persistently grasp economic construction, reform, and openness with one hand and grasp political and ideological work with the other; and should strive to create a new situation in which the popular feeling is stable, the people's thoughts are brisk, the political situation is stable, and the economy is flourishing. In line with this guiding ideology, in the course of improving the economic environment and rectifying the economic order, we should positively readjust economic structure, intensify the agricultural foundation, ensure a bumper harvest by combating drought, strive to increase effective supply, and strive for a stable economic development. We should resolutely curb the social demand, strictly control commodity prices, and actually make a good arrangement for urban and rural

markets. We should continue to deepen reform, accelerate the openness to the outside, and firmly and unswervingly implement the strategy on the coastal economic development. We should persistently give top priority to scientific, technological, and educational undertakings; improve the people's level of ethics, and their scientific and cultural expertise; and promote the building of the spiritual civilization. We should mobilize the masses to extensively and deeply conduct the campaign of "increasing production and practicing economy and increasing revenues and cutting expenditures," and should strive to fulfill or overfulfill the 1989 plan for economic and social development. We should also strengthen the building of democracy and the legal system and further consolidate and develop political stability and unity in order to greet the 40th anniversary of the PRC's founding with new achievements in building the two civilizations.

**A. We Should Firmly Strengthen the Role of Agriculture as the Foundation of the Economy and Try Every Possible Means to Strive for a Bumper Harvest**

Agriculture has a bearing on the overall situation of economic and social development and is the foundation for stabilizing society and the economy. In the course of improving the economic environment and rectifying the economic order, we should accelerate the pace of agricultural production, rather than slow it down. In particular, whether or not we can reap a bumper agricultural harvest this year not only affects the results of the improvement and rectification, but also directly affects social stability. Therefore, it is a serious political question meriting our attention. We should conscientiously implement the guidelines of the national and the provincial rural work conferences; should firmly foster the guiding ideology of agriculture being the foundation of the national economy, should ensure the production of agriculture, grain, and foodstuffs in the fields of policies, science and technology, and investment; and should by all means mobilize the whole society to strive for a comprehensive agricultural harvest.

We should ensure a stable increase in grain production. First, we should stabilize the grain growing acreage. The plots suitable for growing grain crops should not be used to grow other crops. Flat plots should not be used to plant fruit trees. It is strictly forbidden to destroy fine farmland to build fish pools. The acreage under flue-cured tobacco should be brought under control. In particular, those localities where town and township enterprises develop rapidly should actually guard against the tendency of neglecting grain production. In the course of stabilizing the grain growing acreage, we should ensure the acreage under oil-bearing crops, cotton, and beets. We should continuously implement the "three link-up" policies and increase the quantity of linked-up chemical fertilizer given to the peasants who sell grains in line with the contracts. We should implement the system of fixing the purchasing, marketing, and allocation quotas of oil-bearing seeds (oil fat); and should consolidate the

system of fixing the purchasing, marketing, and allocation quotas of grain, in order to stimulate all localities' enthusiasm in developing grain production. We should make great efforts to increase the production of chemical fertilizer, pesticide, plastic film, and other materials and goods for agricultural use; should actually manage well the monopoly of agricultural means of production; should exercise strict control over the distribution plans for monopolized materials and goods; and should strengthen supervision and inspection in order to ensure the implementation of policies.

Those who violate the stipulations of the policy of "linking purchases of grain by contracts with the supply of low-price chemical fertilizers and diesel oil and the payment of purchase deposits," and the policy of placing certain businesses under exclusive state control must be strictly dealt with. We should focus on combating disasters and reaping bumper harvest. At present, we should grasp well all farming preparatory work with a focus on combating drought and preserving soil moisture, and strive to fight a good battle in spring farming. When contradictions arise in the use of water and electricity for agricultural production, we should give priority to guaranteeing agricultural production. We should comprehensively develop agricultural resources in a planned and step-by-step manner, tap potential for agricultural production, and end the wavering situation in grain production. Continued efforts should be made to improve medium-and low-yield fields, accelerate the building of wheat bases in the central and western parts of the province, and strive to raise the total grain output. While exerting efforts to grasp the building of 22 commodity grain base counties (districts), we should do a good job in carrying out the pre-phase agricultural comprehensive development projects in Liao He delta. This year we should develop the Dawa delta first and strive to achieve the goal of carrying out the developmental projects, putting them into production, and achieving beneficial results within the year.

We should exert realistic efforts in "projects related to food and vegetable production," and guarantee a steady increase in nonstaple foods such as meat, eggs, vegetables, poultry, milk, and fish. All localities should implement a mandatory plan in vegetable fields and guarantee that the average per capita vegetable farming areas of the urban people will not be less than 5 li, and actively develop vegetable protective areas and develop vegetable fields in remote and not quite remote suburban areas, while consolidating and developing near suburban and family-base vegetable farms in an effort to gradually form a coordinate vegetable farming pattern. It is necessary to accelerate the building of nonstaple food production bases in the suburban areas of large- and medium-sized cities, raise the level of intensive farming, form a great number of good nonstaple food bases with a stable source of goods, and solve the contradictions between small production and the increasing social demands. Continued efforts should be made to improve and encourage the implementation of various preferential



policies for nonstaple food production, particularly the policy of selling grain to hog raisers as a reward and prevent a decline in production.

We should make continued efforts to do a good job in farmland capital construction, further improve agricultural production conditions, firmly grasp farmland water conservancy projects which are crucial to reaping bumper agricultural harvest, deeply conduct the second "Dayu cup" emulation drive, and comprehensively improve mountainous areas, water areas, forest areas, fields, and roads. We should mobilize the masses to accumulate farm manure, improve soil, and cultivate and land they use. Government organs should work together with the people throughout the province, continue to conduct mass voluntary tree-planting activities, plant trees on barren hills and hilly slopes, make the city green, and improve the ecological environment. We should also protect water and forest resources, cultivate and develop them, and to a good job in ecological environmental construction in the eastern mountainous areas. It is necessary to make conscientious efforts to implement the "land law," persist in managing the land in line with the law, strictly control requisition and occupation of arable land, and strictly investigate and deal with those persons who occupy or use the land illegally. At the same time, we should use land in an economic way and reclaim wasted land, prevent arable land from lying idle, and raise the land utilization rate. We should strive to monitor and forecast serious disastrous weather and continue to strengthen our ability to combat natural disasters.

It is necessary to steadily develop township enterprises. The development of township enterprises has a direct bearing on the overall situation of the rural economy. In the course of improvement and rectification, we should continue to deepen our understanding that developing township enterprises is a new way to strengthen the agricultural foundation and to realize our country's farming modernization, persist in paying simultaneous attention to development and improvement, adhere to the principle of giving both attention to domestic-oriented and export-oriented economies, fully display the flexible advantages of the management mechanism of township enterprises, intensify their ability to cope with economic readjustment, shift the emphasis of work to structural readjustment, technological transformation and management, exert efforts to improve quality, raise the level, and increase economic results, and avoid sharp rises and falls and blind development. We should adhere to the principle of making industry to serve agriculture and stimulate the development of agricultural production through township enterprises.

The key to intensifying the agricultural foundation and reaping bumper agricultural harvests hinges on policies, science, and input. We should continue to deepen rural reform, consolidate and perfect the system of contracted responsibility on a household basis with payment linked to output, intensify double-layered management, set up

various forms of socialized service systems with various sectors of the economy, closely link unified service with decentralized management, and provide peasants with quality service before, during, and after the development of commodity production. It is necessary to vigorously study and popularize technologies for increasing agricultural production applicable to the overall situation. This year, we should extensively popularize such technologies as standardized cultivation of grain and oil-bearing crops, mechanization in all processes of farm work, improvement of fine seedlings, high-speed fattening of livestock and aquatic products, high-yield intensive farming, and development of high-yield forests. In line with the principles of contracted responsibility, policy decisions, and restrictions at various levels, financial departments at various levels should examine and set up agricultural development foundations so as to gradually form vitalized agricultural input mechanisms in which peasants play a dominant role. The provincial financial department should give priority to subsidizing the construction of large key projects that are of overall and strategic significance in enhancing the reserve strength for agricultural development. We should principally rely on the financial resources of cities, counties, townships, and villages or collect funds from the masses to repair and build small and medium-sized projects, harness small and medium-sized rivers, and develop farmland. We should educate and guide the peasants to regard the investment and labor input in agriculture as their own affairs and to really play a dominant role in making investment in agriculture. Meanwhile, we should conscientiously sort out and correct the unreasonable burdens on the peasants. In the course of improving the economic environment and rectifying the economic order, all cities and counties should use the funds saved from reducing non-productive projects to develop agriculture and education. This year, the province and cities should increase their investment in agriculture and give priority to ensuring the construction of Guanying reservoir, harnessing tributaries of Liao He, transforming low- and middle-yield farmland, developing the Liaohe delta, building the Jinxi 520,000-ton urea project, ensuring the completion of Dalian 240,000-ton ammonium phosphate project, building two ethylene projects respectively in Panjin and Fushun, transforming nitrogenous and phosphate fertilizer projects respectively in Tieling, Lingyuan, Zhuanghe, Heshan, Xinjin, Shenyang, and Suizhong, and developing farm chemicals, plastic films, and farm machines in order to further enhance the reserve strength for agricultural development. While continuing to implement the existing policies on aid-agriculture foundation, this year, we should pioneer some new channels for funds, including using 1 percent of the extra-budgetary funds for agricultural development foundation, drawing a portion of money from the annually increased tax revenues based on the base figure of the total taxes delivered by town and township enterprises in the previous year, drawing a certain proportion of technological improvement funds from the profits obtained by grain enterprises, drawing portions of money from the farmland occupation taxes, drawing

portions of increased taxes from special farm, forest, and aquatic products, and drawing portions of increased income of rural individually-owned industrial and commercial households and private enterprises. In addition to relying on the measures of the governments at various levels, the fundamental way to solve the problems concerning agricultural input is to mobilize the masses to set up an input mechanism in which the peasants play a dominant role. Therefore, all localities should study ways and formulate policy measures in which what is taken from the people is used in the interests of the people, and increase the agricultural input to the maximum.

We should continue to strengthen the work of supporting the poor. We should further implement the decision of the provincial party committee and the provincial government on accelerating the development and construction of the eastern, western, and northern parts of Liaoning; do a good job in actively and fully using the policies formulated by the state and the province; strengthen the lateral cooperation between "three parts of Liaoning" and the Liaodong Peninsula open economic zone; continue to launch the campaign of mutual assistance between Shenyang, Dalian, and Anshan, and between Tieling, Chaoyang, and Fuxin based on the principle of mutual benefits; and strive to promote the development and construction of the "three parts of Liaoning" by opening Liaodong Peninsula to the outside world.

B. We should adjust the economic structure, achieve development through optimization, and increase effective supply.

Comrade Li Peng pointed out that improvement and rectification are in essence an economic adjustment. We should seize the current favorable opportunities, successfully adjust the economic structure focusing on production setup, product mix, and enterprise structure with a firm determination, rationalize the disposition of resources, optimize the organization of major production elements, fully develop Liaoning's advantages, and improve the overall economic results.

We should do a good job in adjusting production setup. While greatly developing agriculture, we should actively develop commercial, catering, service, and repair trades, and accelerate the development of energy, communications, telecommunications, petrochemical, and light and textile industries. We should adhere to the principle of mustering the efforts of the state, the collective, and the individual to develop a number of small and medium-sized commercial and service shops to resolve the people's numerous difficulties in their everyday lives, and build and renovate in a planned manner a number of urban farm product markets and farm product wholesale markets to achieve greater development in the commercial, catering, service, and repair trades. We should do a good job in adjusting the structure of industry itself. We should accelerate energy construction, support on a

priority basis the production of the province's collieries, whose products are distributed under a unified state plan, and facilitate the development of the Shenyang and Tiefa mining areas to attain the overall planned target as soon as possible. We should formulate policies to encourage the production of local town and township collieries and key coal pits in order to achieve a stable growth in local coal production. We should adopt various measures to actively develop ports and pit-mouth power stations, greatly popularize urban heat and power joint production, encourage enterprises to build power plants of their own, concentrate financial resources, funds and technology on completing the power plants under construction, and strive to install 800,000 kilowatts of power generating units every year in the next 8 years. This year, we should accelerate the expansion of the Liaoning power plant, do a good job in building the Shenhai heat and power plant, pay attention to starting the construction of Yingkou's Bayuquan power plant, and achieve a success in the early-stage preparations for the Tieling power plant and the second-phase construction of Dalian's Heshangdao power plant. Meanwhile, we should expedite construction of the Liaohe oilfield and step up the exploration and development of the Bohai Bay oilfield to ensure a stable growth in the production of crude oil and natural gas. We should continue the principle of "six priorities" in the light and textile industries and electronic industry, and seize the good opportunity of restructuring the national economy and increasing effective supply to achieve faster development in these industries so as to make up for heavy industry with light industry. We should continue to adopt priority policies to accelerate the development of new industries led by high-technology, such as the electronic industry.

We should pay close attention to adjustment of product mix. We should strive to improve the quality and grade of all products, increase their additional value, enhance their competitive edge, gradually form groups of superior products, and lead the development of an entire trade with its key products and key enterprises. We should greatly develop daily necessities for the people, light industrial and textile products and the products scarce in markets, and while increasing supplies to the provincial market, we should expand supplies to the domestic market and exert active efforts to enter the world market. In the raw material industry, we should increase the portions in service of agriculture and light and textile industries, and particularly greatly develop the undersupplied goods urgently needed in markets, and gradually enable our products, to become intensive- and precision-processed, refined, polished and special products. We should restrict production of goods that consume great amounts of energy in line with the principle of energy conservation. In machinery industry, we should strive to develop farm machines and the technology and equipment in service of light, textile, and electronic industries; actively develop the products integrating machinery and electronic industries, such as numerical-controlled machine tools and robots, and

equipment for small power stations; and fill the gap in the products of our province, continuously improve the technological level of our products, and increase the additional value of products gained from improved technology. In the petrochemical industry, we should greatly develop refined industrial chemicals and develop more intensively processed products to provide to light industry the raw materials it lacks. Through adjusting product mix, we should shift our guiding principle for developing production from one of expanding production based on a low level to one of relying on science and technology.

We should accelerate the readjustment of enterprise structure; positively develop transregional and multiprofessional enterprise groups comprising different forms of ownership; raise the level of enterprise specialization; and increase the production of the products in short supply. We should accelerate the incorporation of enterprises in line with the demand of economic readjustment. Enterprises in a sufficient position of strength should adopt multiple forms of annexation with other enterprises that have suffered losses for a long time or have proven incapable of halting deficits. This way, the province's essential production factors can be distributed rationally, and a number of enterprise conglomerates can be set up that will be supported by large- and medium-sized enterprises, that will focus on production of hot-selling items, and will include the urban and rural collective economy.

To achieve success in readjusting the economic structure, we must adopt special policies and readjust the investment structure and the credit-granting structure. We should continuously perfect and implement provincial industrial policies and carry out management of production categories. Banking, taxation, and pricing departments should fully apply economic levers to guide the direction of investment and readjust economic activities. In this regard, we should give support on a selective basis in order to coordinate investment and credit-granting structures with the structures of industries, products, and enterprises. By so doing, we can avoid ineffective input and raise investment efficiency. All professions and trades should once again classify existing enterprises and products and should work out specific readjustment plans. Through readjustment and efforts in the coming several years, we should make the province's economic structure more reasonable and should gradually set up a new-type of economic structure in which the primary, secondary, and tertiary industries develop in coordination with each other; agriculture, light industry, and heavy industry are in good proportion; the resource-type, the processing-type and the scientific- and technological-type enterprises are combined with each other, and the import-oriented and the export-oriented economy are integrated with each other. So, the province's economy will develop in a sustained, steady, and coordinated manner.

C. We Should Exercise Strict Control over Commodity Prices and Make Good Arrangements for Urban and Rural Markets.

Ensuring that this year's price increase will be considerably lower than last year's is an important goal for the improvement of the economic environment and the rectification of the economic order. We must unfailingly grasp it. The control over commodity prices involves the fields of production, circulation, distribution, and consumption. Therefore, we must adopt comprehensive and supportive measures.

We should exercise strict control over the general price index. Governments at all levels should regard the control over price increase as the central content of the improvement and the rectification; should bring the control in line with the plans for economic development; should make overall considerations and arrangements for this work; and should implement a strict system under which administrative leaders assume responsibility of controlling price hikes and various departments share the work of control. Strict control should be exercised over the prices of those products subject to the administration of local governments. We should be very careful with those reform measures that will probably cause price increases and coordinate the specific measures with the demand of controlling commodity prices. The state fixed prices must be observed for those commodities that are subject to the state monopoly. The "linked-up" chemical fertilizer should be resolutely supplied to peasants in full amounts at the state-fixed prices. For those means of production imposed with a ceiling price by the state, the ceiling price must be enforced without any breakthrough. For those important products whose prices are fixed by enterprises, price changes, if necessary, should be subject to the system of reporting to responsible departments and should not be decided by enterprises themselves. When commercial enterprises purchase industrial products from places other than the province, the pertinent stipulations and price fixing methods must be strictly followed. Continued efforts should be made to consolidate the fees charged by non-commercial units. Regarding the fees charged by medical, educational, and urban construction departments, which the masses are most concerned about a thorough clearing-up should be conducted in order to ban the random collection of fees. We should give full play to the role of professional and part-time market pricing personnel and actually strengthen the supervision and inspection over market prices. All cities should set up price-reporting centers and mobile supervisory service stations in order to accept the supervision of the masses.

We should conscientiously rectify the circulation order. The confused circulation order is an important factor of the unstable market and price hikes. We must be determined to rectify it. We should make continued efforts to



clean up and consolidate organizations that run economic and business enterprises and all types of companies, strictly implement state stipulations in the management of capital goods, scarce durable consumer goods, and major nonstaple foods, resolutely ban illegal operations, strictly investigate and deal with illegal business activities, handle serious, major and appalling cases in a timely manner, and make public the results. We should make public to the broad masses of consumers the production and marketing prices of products under exclusive state control and 15 types of products that are essential to the people's livelihood, put price tags on all products, and consciously place ourselves under mass supervision. We should strictly check the private massive sales of products by certain individuals, and mete out strict sanctions to those persons who engage in fraudulent purchase or resale of products that are in restricted supply. We should realistically strengthen market management, resolutely deal blows to activities on manufacturing and selling fake or inferior products, do a better job in managing trade fairs and individual industrial and commercial units, and investigate and handle in line with the law some illegal activities such as giving short measurements, selling fake and inferior products, cheating and dominating the market, evading taxes, and hiking prices. Those who refuse to be managed by departments concerned, who create trouble or beat up management personnel must be punished in line with the law. It is necessary to strengthen the self-cultivation of the market and price law enforcement contingents, apply disciplinary sanctions on those who abuse their powers and positions to seek gains or neglect their duties, and pursue their legal liabilities.

We should make proper arrangements for urban and rural markets. The most important of all is to increase the production of 15 products that are essential to the people's livelihood such as grain, oil, meat, and vegetables, and 38 scarce products in short market supply. The 15 products that are essential to the people's livelihood must not be out of stock and their prices must not be raised arbitrarily. The same kind of products produced by a city must have the same prices. The popular vegetables produced by large and medium-sized cities must be sold at planned prices. We should try in all possible means to guarantee the necessary funds, energy, and raw materials for the production of 38 scarce products in short market supply, properly readjust the scope of product varieties in line with market changes, and guarantee urgent market demands. We should adopt effective measures, expand regional exchange, actively organize the supply of commodities that can find a ready market, enrich the market and satisfy the needs of consumers at various levels. It is necessary to make proper arrangements for the supply of power, coal, water, heating, and gas for urban residents.

We should strengthen market macro-regulation and control. The provincial and city authorities should create conditions and establish a system to reserve major commodities that are related to the national economy on

a trial basis. The provincial authorities should continue to reserve 10,000 tons of pork and set a fixed amount of grain regulatory funds. We should continue to subsidize meat, vegetables, and daily necessities that are essential to the people's livelihood in line with the financial system, properly handle the relations between internal and external sales, give priority to satisfying the province's market needs of daily necessities. With regard to the scarce commodities produced by the province, we should mobilize enterprises to retain 70 percent of the products for domestic sales. We should educate peasants to fully understand that implementing the state grain and oil contract purchasing task is not only an act to honor the contracts but also their obligation and that they must fulfill them with earnest efforts. We should use agriculture-oriented funds and the government-price animal feed and capital goods to exchange or purchase agricultural and sideline products that are in short market supply, and fully display the dominant role of state-owned commercial enterprises in stabilizing the market and commodity prices.

#### D. We Should Resolutely Cut Back Social Demands and Actively Control the Scope of Capital Construction and the Increase in Consumption Funds.

The most direct and effective measure to cut back social demands is to curtail the scope of investment in capital construction. In line with the readjustment of economic structure, we should continue to clear up projects under construction and should not be soft-hearted in cutting back unauthorized projects and non-productive projects, particularly, office buildings, auditoriums, and hotels and ordinary processing projects in line with the principle of "guaranteeing and cutting back certain projects." This year, we will not start new construction projects in principle. We should guarantee the fulfillment of the state-assigned curtailment task. We should also act in line with our financial capacity and material resources while carrying out some projects that should be carried out, make arrangements according to priorities, and particularly guarantee the construction of some planned projects, including agriculture-oriented projects, educational, energy, transport, telecommunications projects, projects related to the production of raw materials in short supply, and projects on using foreign capital.

To cut back on social demand, we should also strictly control the growth of consumption funds, and in particular restrict institutional group spending. We should continue to carry forward the fine tradition of plain living and arduous struggle, and greatly reduce nonproductive expenditures. Government organs at various levels and institutions under administrative departments will not be permitted to purchase new cars in the next 2 years unless their old cars have to be replaced; and they will not be permitted to build office buildings, guest-houses, and sanatoriums during the next 3 years. With regard to those who violate the regulations concerning specially-controlled commodities, a sum of money equivalent to the value of the purchased commodity will

be confiscated from them and, moreover, fines will be imposed on the units concerned, and their leading persons will be held responsible. They should greatly reduce the number of various types of meetings and strictly control the personnel attending and the time for the meeting. They should straighten out low-quality newspapers and journals that need financial subsidies. They should prohibit the arbitrary issuance of money and materials, and party and gifts given with public funds. Expenses on social activities needed in enterprises' production and management should also be strictly controlled. They should freeze the size of administrative and managerial personnel, and strive to keep their expenses on various purposes at the same level as last year. They should strictly enforce the regulations on payment of bonus tax and personal income tax.

We should coordinate the efforts to control consumption funds with those to retrench credit, enliven monetary work, and carry out supporting reforms in other fields. We should push housing reform steadily forward, and gradually commercialize houses. We should exert great efforts to open businesses that offer advance sales of high-grade consumer durables and actively organize value-guaranteed savings deposits and lottery savings deposits to absorb savings from society. We should adopt various measures to guide and regulate household consumption, withdraw currency from circulation more quickly, and expand sources of credit funds. Meanwhile, we should continue to strengthen and improve cash management, clean up and ban black treasuries, and control irrational circulation of currency and the general scope of credit.

#### **E. We Should Continue To Deepen Enterprise Reform and Strengthen and Improve Macro Regulation and Control.**

Improving the economic environment, rectifying the economic order and comprehensively deepening reform constitute a complete principle. In the process of improvement and rectification, the direction of persistently deepening reform should not be changed and the effective policy measures for enlivening the economy should not be withdrawn.

Further deepening enterprise reform is the focal point of this year's economic structural reform. We should consolidate, develop, and improve the contracted and leased management responsibility system, with the focus on improving the contracts for contracted and leased management, gradually including such major economic and technological targets as increased value of the fixed assets of enterprises, technical transformation, and development of new products in the responsibility for contracted and leased management, persistently enforce the system of subjecting the performance of enterprises to supervision through auditing at year's end or at the expiration of the tenure of their directors, resolutely check the myopic behavior of enterprises, and establish a

mechanism for the self-regulation of enterprises. Meanwhile, we should introduce the mechanism of competition across the board, select managers through competition, and ensure that enterprises are handed over to good-quality managers who submit reasonable bids and who enjoy high prestige among the masses. We should improve the risk-taking mechanism. Enterprises where conditions permit should enforce the all-member risk-taking mortgage contract system and the all-member risk-taking mortgage leasing system to solve the problem of enterprises being responsible for profits alone and not losses, adjust well the relations between various sectors within enterprises in terms of distribution, and establish a community of interest of the enterprises, the managers and the workers. Economic, industrial, and commercial administration, supervision, and auditing departments at various levels should exercise supervision and inspection on contracted and leased enterprises according to law to prevent the interests of the state, the managers, and the workers from being infringed upon.

Supporting reforms within enterprises should develop production, conscientiously and successfully. We should develop production, deepen reform and strengthen management simultaneously, and resolutely prevent and overcome the tendency of "replacing management with contracts." We should reform the personnel system, select and appoint the best managerial personnel at various levels, and gradually eliminate the "iron chair" of cadres. We should reform the labor system, select and use the best workers to assume certain posts, and gradually eliminate the "iron rice bowl" in workers' recruitment. We should reform the distribution system, continuously improve the various forms of the system of linking wages to economic performance, gradually eliminate the "iron wage," and truly exercise distribution according to work.

We should conscientiously implement the "enterprise law," perfect the factory director responsibility system, determine factory directors' key roles in enterprise production and management activities, strengthen democratic supervision by the staff and workers, enhance staff and workers' sense of being masters of their own enterprises, rely on the enterprise party organizations' guaranteeing and supervisory functions, and gradually set up and perfect the ideological and political work system in which plant directors play a key role.

It is necessary to positively and steadily facilitate the reform of the ownership system and operational methods. We should select a number of state enterprises that strike a balance between the demand and supply of their products to carry out decentralized management on a trial basis, actually separate government functions from enterprise management, and gradually popularize the work. We should encourage small-profit and money-losing enterprises, particularly, the small state enterprises and urban collective enterprises, whose fixed assets cannot pay their debits or which are going bankrupt, to carry out annexation and sales of property rights

to increase their profits or to turn deficits into profits. It is necessary to carry out the shareholding system on a trial basis and in a step-by-step manner. We should expand the trial implementation of shareholding and cooperative systems among collective enterprises; use this to deepen the collective enterprises' reform work; restore enterprise ownership to the staff and workers; assume sole responsibility for their profits or losses; exercise independent management; and make staff and workers become the true masters of their own enterprises. We should select a small number of large and medium-sized state enterprises with good economic results, high reputations, and corresponding industrial policies to carry out on a trial basis the standardized shareholding management system. We should pay firm attention to formulating policies and regulations on the shareholding system.

It is necessary to intensify and improve macroeconomic control. We should gradually set up an overall balanced and optimized macroeconomic control system. Particularly, closely in line with the problems that should urgently be solved in the course of improving the economic environment and rectifying the economic order, we should positively explore and perfect measures for controlling social distribution, economic operation, regulation of interests, and self-restriction in an macroeconomic way; and give priority to macroeconomic control of fixed assets, operation of capital, supply of goods and materials, and market prices. In line with the principle of making the specific measures for reform serve the improvement of the economic environment and the rectification of the economic order, we should continue to develop and perfect the capital goods market, consumer goods market, and science and technology markets and develop, on a trial basis, large general cooperatives linking production with marketing, forward markets for farm products, regional common markets, and markets for transferring property right. We should deeply carry out the reform of the labor personnel system, invigorate the flow of skilled labor, popularize the experiences in conducting overall trial reform gained by some counties, including Haicheng, invigorate the economy in counties and townships, and make new progress in our province's economic structural reform along with the constant improvement the economic environment and rectification of the economic order.

#### F. Deepen Scientific, Technological, and Educational Reform and Vigorously Develop Science, Technology, and Education.

Science and technology are primary productive forces as well as key means for modernizing management. We should firmly foster a strategy of relying on science and technology to rejuvenate Liaoning, further implement the policies toward intellectuals, and truly form a practice of respecting knowledge and skilled persons. We should fully use the favorable chance of improving the economic environment and rectifying the economic order to change the focus of economic development from

increasing equipment, workshops, and labor forces on a large scale to relying on scientific and technological progress to promote product quality, develop new varieties of products, and increase economic results.

We should continue to deepen the reform of the scientific and technological system with the focus on giving free reins to scientific research institutions and science professionals and technicians, and accelerate the process of making developmental research institutions become economically independent. It is necessary to explore new ways for conducting reform among public-welfare research units. With the further introduction of competition and risk-running mechanisms, various categories of research institutions at various levels and scientists and technicians should be attracted to contract for the management of economic associations and to develop various economic undertakings in the rural areas. Scientists and technicians with outstanding contributions should continuously be encouraged and commended. We should further develop the technology market, implement policy measures for purchasing scientific and technological findings and developing technology, intensify enterprises' technological development capability, facilitate the close combination of science and technology and the economy, change the control of the promotion of scientific and technological progress from that of the government activities to that of the economic legal persons' activities, and form a new vitalized scientific and technological operation mechanism.

We should focus our work on increasing effective supply; strengthening our ability to create foreign exchange earnings; easing the strained situation in coal, electricity, transport, and some raw materials; further readjusting the orientation of scientific research; doing a good job in conducting joint scientific and technological research projects and the popularization and application of scientific and technological research findings; grasping the research of practical technology; actively developing new technological methods and products that require a small investment and short time but that yield high benefits; and striving to achieve breakthroughs within a short period of time. Continued effort should be made to select scientific and technical personnel to serve as deputy county heads and deputy township heads, do a better job in implementing the "123 projects," and the "spark plan," conduct activities that use science and technology to support the poor, and expand the scale of benefits. While strengthening the building of pilot science and technology enterprises, we should use scientific and technological strength to end deficits and increase profits. We should continue to study and develop automatic technology, information technology, biological engineering, new materials, new energy, ocean resources and other new technologies and high technologies and related basic research. Through the reform of research institutes and development of lateral cooperation, we should form fair-sized economic entities with definite economic results, which combine science with industry and foreign trade, or combine science with agriculture



and foreign trade, develop high-technology industries, and intensify our province's momentum for economic development. It is also necessary to accelerate the development of high-technology areas in Shenyang and Dalian, strengthen the ranks of scientific and technical personnel, grasp professional training, and improve the quality of scientific and technical personnel. Efforts should be made to further mobilize the strength of the natural and social sciences, do a good job in the soft science research, and fully display the guiding role of science and technology in economic and social development.

We should firmly foster the ideology that education is of fundamental importance to the fulfillment of our great long-term mission. It is necessary to deeply conduct activities on respecting teachers and paying attention to education, deepen the whole society's understanding of the importance of carrying out educational work, give primary importance to education during the economic and social development, improve the quality of the people, and solve the problems concerning the momentum for Liaoning's economic development and improvement in the spiritual civilization.

We should increase educational development along with economic growth, continue to implement Document 60 issued by the Liaoning provincial government in 1988, establish and improve the educational funds, and try, by all possible means, to increase educational funds through various channels. It is necessary to promote the practice of encouraging social efforts to collect school funds, expand the work-study program, gradually improve the mechanism of making educational investment by various levels, and continue to improve teaching conditions. The provincial government has decided to designate this year as a year to repair dangerous primary and middle schools buildings. We should collect financial and material resources to guarantee the realization of this target. In improvement and rectification, the governments at all levels should not reduce educational investment, but strive to increase it. The amount of funds that come from imposing fines on persons who have violated the stipulations of state-controlled purchases should all be used as educational funds. We should actively create conditions and gradually solve the problems of the double-shift educational system and large classes. Restricted by economic growth, we must be mentally-prepared to overcome difficulties for a long time, actively tap potential, and implement the principle of running education through hard work and thrift. Continued efforts should be made to deepen educational reform and comprehensively improve the quality of education. In higher education, we should optimize the educational structure in close connection with the needs of the four modernizations' construction, and strive to raise teaching results and quality. We should consolidate and readjust colleges run by cities, end the situation of overlapping construction and investment and of large but all-embracing and small but all-embracing, cut back excessive specialities,

and expand in excessive specialities. In line with readjustment, we should improve the teaching content and method and the enrollment and assignment system, raise educational quality and accelerate the training of personnel. We should strictly forbid the appropriation of funds and equipment for ordinary education by universities, secondary and specialized schools in order not to affect the stability of the teachers contingents of the ordinary educational sector. In ordinary education, we should continue to improve the system of running and managing schools by various levels. We should select a group of primary and middle schools to try out the system of optimizing the organizations and the teacher employment system, and break with the "big common pot" practice in schools. We should persist in running education in line with the law, conscientiously implement the "compulsory educational law," and strengthen students' morality education. Teachers should conscientiously assume the responsibility of imparting knowledge and educating the people. It is necessary to consolidate and improve the results of elementary education and end the abnormal situation in which some school-age children have dropped out from schools. Enterprises that employ children should have their plant directors called into account.

We should positively develop vocational and technical education and readjust the service orientation of adult education in order to train competent laborers and applicable junior and medium-grade specialized talents for economic construction. We should make efforts to carry out the experimental program for the rural educational reform, gradually establish a talent training system that meets the demand of rural commodity economic development. We should continue to carefully develop pre-school education, special education, teacher-training education, and minority nationalities education. We should establish and perfect the supervisory system and improve the management of schools. We should actually strengthen political and ideological work among schools, earnestly implement state policies and stipulations on increasing remunerations to teachers, and further stabilize the ranks of teachers in order to ensure the comprehensive implementation of the party's principles and policies concerning education.

G. We Should Raise the Level of Opening to the Outside and Accelerate the Pace of Opening Liaodong Peninsula to the Outside.

The improvement of the economic environment and the rectification of the economic order will not only create a still better condition for opening the province to the outside world, but will also help the province vigorously develop the export-oriented economy in the course of conducting economic readjustment. We should firmly seize the favorable conditions of the international environment to raise the levels of earning foreign exchange through exports, utilization of foreign capital, running the Sino-foreign joint ventures, cooperative enterprises and foreign-funded enterprises, and the opening-up the

environment. We should further open the Liaodong Peninsula to the outside world; should be firm and unswerving in improving the economic environment, rectifying the economic order, and implementing the strategy on the coastal economic development; and should closely combine the stabilization of the economy with the deepening of reform and with the acceleration of opening up. By so doing, we can effect a stable development of the provincial economy and an improvement in scientific and technological levels.

We should accelerate the readjustment of the export structure and should expand exports to earn more foreign exchange. In line with the demands on international markets, we should readjust and optimize the structure of exports, and should gradually effect the change from mainly exporting raw and semi-finished materials and primary products to mainly exporting finished products; the change from exporting roughly processed products to exporting highly processed products; and the change from exporting low-grade and low-value products to exporting high-grade and high-value products. This year, efforts should be made to export more than \$2 billion worth of goods. We should raise, as quickly as possible, the proportion of mechanical, electronics, metallurgical, chemical industrial, building materials, and light industrial products in the total amount of products exported to earn foreign exchange. Mechanical trade should strive to improve the grade of exports; increase the variety of products, which are turned out in line with the international standards; vigorously develop import substitutes; strive to increase exports at a rate faster than last year's; and, through several years of endeavor, build itself into a trade that plays a key role in export. Town and township enterprises should exploit their roles as a vital new force to earn foreign exchange through export and should vigorously develop the three forms of import processing and the compensation trade, in order to make new contributions to expanding exports and earning more foreign exchange. We should continue to deepen the reform of the foreign trade structure, perfect those policies and measures that encourage export and the earning of foreign exchange, and should implement the foreign trade contract responsibility system, with emphasis on the three targets of deficit subsidy, earning foreign exchange through export, and delivery of foreign exchange earnings. We should expand the implementation of the system whereby foreign trade corporations act as agents for other enterprises; and directly push those industrial enterprises that are delegated with the right to do business with foreign countries on the forefront of international markets. We should strengthen the building of export bases, export-oriented enterprises, and export-oriented workshops. We should strive to newly build 50 plants specialized in export, renovate 30 foreign trade enterprises, develop a number of foreign trade associations implementing the shareholding system, gradually establish an exports processing system, and open up international markets on every side.

We should positively expand the utilization of foreign capital, with focus on encouraging old enterprises to

"graft" advanced foreign technologies. With existing plant houses, equipment, and land as capital stock, all professions and trades should select some old enterprises, which have relatively good conditions, to attract foreign capital, import advanced technologies, and initiate joint-venture enterprises. Achieving success in "grafting" is an important way to closely integrate the stabilization of the economy with the acceleration of the renovation of old enterprises. We should energetically develop enterprises that put both ends of the production process in the world markets; develop the three forms of import processing and the compensation trade; and strive to make breakthroughs in the cotton textile trade, the nonferrous metal trade, and the petroleum processing trade. By making full use of the preferential policies governing opening-up entrusted by the state on Liaodong Peninsula, we should strive to attract even more foreign firms to initiate foreign-funded enterprises, which are advanced in technology and are export-oriented and whose investment volume is large. In addition, we should positively attract capital from Taiwan.

It is necessary to use limited subsidiary funds at home and to optimize the selection of foreign-funded joint ventures. We should stress the honoring of contracts that have been signed with foreign traders and keep our promise. We should try every possible means to well manage the existing "three-capital" enterprises and give priority to ensuring a sufficient supply of funds and electricity. We should extensively conduct international leasing business and develop compensation trade to alleviate the strains on funds at home. We should strive to use more loans granted by foreign governments and international banking organizations and strictly control foreign commercial loans. We should continue the construction of the Dalian economic and technological development zone, the Yingkou Bayuquan export and processing zone, and the Shenyang Tiexi industrial transformation zone; and strive to make these zones obtain new export and foreign exchange earning capacity.

We should positively undertake foreign projects on a contracted basis and provide labor services to foreign countries to increase alleviating the current difficulties. We should first push the building enterprises with rich technological forces and good reputation to the international market and have them undertake foreign construction projects based on a system of contracted responsibility for their profits or deficits so as to guide small and medium-sized enterprises to export their labor forces. In line with their own special features, all professions and trades should pay close attention to technological training, economic cooperation, and export of labor forces. With approvals, enterprises' surplus personnel, unemployed labor forces in society, and the peasants with relatives and friends in foreign countries are permitted to work in foreign countries. All foreign export trade companies and the provincial international economic and technological cooperation company should intensify information service and professional work guidance. It is

necessary to accelerate the development of the tourist trade. We should make efforts to build Liaodong Peninsula into North China's general tourist area with various natural landscapes, special characteristics, and attractive power; and strive to increase foreign exchange earnings from tourist trade.

We should further improve Liaodong Peninsula's environment for opening to the outside world. We should accelerate the construction and expansion of Dalian, Dayaowan, Yingkou Bayuquan, and Jinzhou ports; complete the construction of Shenyang-Dalian expressway; positively carry out communications development planning; and strive to develop communications undertakings. Meanwhile, we should strengthen the construction of the intangible environment; focus on improving service standards and quality; further improve functions and workstyle; simplify the procedures for handling affairs; and speed up the rhythm of work. We should continue to accelerate the cultivation of skilled persons, upgrade the quality of personnel engaged in developing foreign economic relations and trade, and gradually set up a rank of economic and trade workers with ability to participate in international competition. We should continue to strengthen the foreign propaganda work and the exchange of science, technology, and culture with foreign countries to make Liaoning's cities, enterprises, products, and technologies become more famous in the world.

**H. Set Our Sights Inward, Tap Our Potential, and Continue to Launch the "Double-Increase and Double-Reduction" Campaign.**

Increasing production, practicing economy, increasing revenues, and reducing expenditures are important principles that we must persist on for a long period of time in order to promote the socialist modernization. In particular, under the new situation of readjusting the national economy, we must arouse the enthusiasm of the cadres and the masses, gained from implementing the guidelines of the 3d plenary session of the 13th party Central Committee, for conducting the "double-increase and double-reduction" campaign. This is of special significance in overcoming the current difficulties, increasing effective supply, and ensuring social stability. We must continue to extensively launch the campaign with the main contents of "tapping potential, upgrading quality, opposing waste, and increasing economic results;" and make efforts to increase effective supply and practice economy. In line with the provincial plan for "double increase and double reduction," all professionals and trades should formulate feasible fighting goals and specific measures for increasing production, practicing economy, increasing revenues, and reducing expenditures in order to eliminate the prominent contradictions and problems in the current economic activities; and strive to implement them.

On the basis of improving the industrial structure and raising economic results, we should continue to maintain a proper growth rate. Industry is the pillar of our

province's economy and the main sources of financial revenues. We must strive to attain the fighting objective of guaranteeing a 6-percent increase and striving to achieve an 8-percent increase. In agriculture, we must base ourselves on combating disasters and reaping a bumper harvest. We should try by all possible means to fulfill the economic and technological targets that help increase effective supply and that are necessary and are possible to realize through strenuous efforts, realistically prevent stagflation, and enable our province's economy to steadily develop during our attempt to increase the economic environment and rectify the economic order.

We should ease the strained situation in coal, electricity, transport, funds, and raw materials by increasing incomes and reducing expenditures. It is necessary to mobilize all power plants throughout the province to realize steady and high production and increase power supply under the condition of guaranteeing safe operations, actively organize energy consumers to use electricity during low power consumption periods, be determined to adopt various means to conscientiously grasp the work of using power in a planned manner and save electricity, and try by all possible means to overcome waste. We should restrict the production of enterprises and products that consume lots of energy. It is necessary to grasp the province's coal production, strive to raise output on the premise of guaranteeing a rational proportion between mining and stripping, deliver and transport coal produced by the state unified distribution mines in a timely manner, and strive to narrow the gap between supply and demand. We should exert efforts to win state support for our province to develop waterway transport in an effort to ease the strained situation in railway transport. We should tap the potential of funds, actively promote the practice of repaying and managing loans in line with the law, do a good job in linking savings with loans, continue to check warehouses and tap potential, reduce the amount of stockpiled goods and the appropriation of funds, accelerate the circulation of funds, strive to attain the goal that "funds are used in a flexible way despite a shortage of funds, and funds are put to good use despite a small amount of funds," and enable the existing funds to yield greater beneficial results. All enterprises should keep their eyes inward, tap potential, reduce material consumption and the appropriation of funds, consider overcoming difficulties as the motive force of strengthening enterprise management, establish and improve the method of managing a fixed amount of work, the award and punishment methods, and the appraisal measures centering on practicing economy through deepening enterprise reform, strive to reduce material consumption, the cost of capital construction projects, and the working funds, raise per-capita labor productivity and utilization rate of funds, combine the target of the "campaign to increase production, practice economy, increase revenues and reduce expenditures," with the 8 economic and technological targets to be



appraised by the state this year, conduct strict supervision and inspection, realistically grasp production safety and civilized production, and reduce all types of accidents to the minimum.

We should try by all possible means to increase financial revenues, continue to adhere to and manage the financial contract system, and strive to realize a balance between revenues and expenditures of the financial departments at all levels, particularly the building of county-level financial departments, and strive to make them gradually become financially independent. We should strengthen the collection and management of tax revenues, particularly the management of tax revenues of individual and private enterprises, conduct regular general inspections on finance and taxation, and collect and hand over tax revenues that should be collected and handed over to the state. It is also necessary to firmly end deficits and increase profits and strive to reduce the number of money-losing households and the amount of deficits from last year's figures.

"The campaign to increase production, practice economy, increase revenues, and reduce expenditures" is a mass activity. We should mobilize the masses of people to participate in the campaign from start to finish. We should fully display the role of the trade unions, the Communist Youth Leagues [CYL], the women's federations and mass organizations, adopt various forms to induce workers to conduct regular on-the-job training, technological innovation and cooperation, tackle joint technological research problems, recycle waste, offer rational suggestions, and conduct the labor emulation drive of having each person create an additional 100 yuan of profits and taxes. We should display the key role of model workers and advanced producers of various trades and professions, and their role as the vanguards and bridges, offer ways and means to raise the management and technical levels of enterprises, and enable our province's mass campaign of "increasing production, practicing economy, increasing revenues, and reducing expenditures" to be carried out in a solid and vigorous manner, and guarantee the fulfillment or overfulfillment of the 1989 national economic and social development plan.

#### I. We Should Strengthen Ideological and Moral Construction, and Develop Culture, Public Health, and Sports Undertakings.

Strengthening the building of the spiritual civilization is an important part of the overall distribution of China's modernization drive, as well as the internal demand for developing the socialist commodity economy and promoting the progress of social productive forces. To realize the four modernizations, we need not only material input, but also a spiritual strength. To arouse the people's enthusiasms as much as possible, we must grasp the concurrent building of material and spiritual civilizations. This year's important task in building a socialist spiritual civilization is: Fully exploiting our political

advantages and guided by the basic line of the initial stage of socialism, we should vigorously propagate and advocate the common ideal of "realizing the four modernizations and revitalizing the Chinese nation," strengthen ideological and moral construction, improve the people's spiritual quality, enhance the national spirit, and create a fine social environment for improving the economic environment, rectifying the economic order, and carrying out reform.

At present, we should combine the education on ideals with the education on the party's basic line, the current policies, patriotism, revolutionary tradition, and arduous struggle. In particular, we should extensively conduct the education on the current situation, with the improvement, rectification, and reform as its major content. In essence, the education on the current situation aims to conduct re-education on the party's basic line at the initial stage of socialism and on the general principles and policies concerning reform and opening-up with a view to enabling the vast number of cadres and the masses to comprehensively understand the changes brought about by the decade of reform and the current economic situation our country faces. We should not only catch sight of the tremendous achievements in the decade of reform, but also understand the difficulty and complexity of reform. We should not only catch sight of the current difficulties and problems, but also define the directions and goals of the deepening of reform. We should further enhance our understanding and spirit, positively support and participate in the implementation of various measures for improving the economic environment and rectifying the economic order, ensure the sound development of reform and construction, and strengthen our confidence and determination to fulfill the common ideals. At the same time, we should combine the common ideals with the specific features and goals of various localities and trades and make great efforts to successfully grasp ideological and moral work. Province-wide, we should be civilized citizens possessing lofty ideals, moral integrity, cultural accomplishments, and discipline, and loving the motherland, the people, labor service, science, and socialism. We should build civilized units, stress professional morality, duty, discipline, and reputation. We should also build civilized cities that set an example in consolidating public security and road safety, making green and beautifying the environment, and carrying out the "five notes." By being civilized citizens with civilized units and cities, we should foster an enterprise spirit, group purpose, and school style with characteristics of the times. All service units should strive to serve customers with a smile and treat customers politely. We should continue to conduct the army-civilian and the police-civilian joint activities and establish the civilization pledge and rules for peasants. We should strengthen education on social ethics and advocate the practice of respecting the old and loving children. We should also advocate the practice of transforming social traditions and resolutely oppose and check such outmoded conventions, bad customs, and illegal behaviors as feudalism, superstition, extravagance

in wedding ceremonies and funerals, and group gambling. In addition, we should persistently encourage healthy practices and scare off evil ones, and should punish evildoers and commend good persons, in an effort to further promote the improvement in the social atmosphere and create a social environment in which the people are encouraged to make progress.

Strengthening the development of cultural undertakings is an essential condition for upgrading the people's ideological, moral, and cultural quality, and for forming a fine social practice. Governments at various levels should show concern for the reform and the development of cultural undertakings and bring into play their functions for spiritual civilization. Radio, television, cultural, and publication departments should put social effect in the forefront and provide colorful works with healthy and beneficial contents to satisfy the people's spiritual needs. We should resolutely ban reactionary and obscene books, periodicals, and videotapes, stop evil phenomena in society; and consolidate the cultural market. We should strive to do a good job in organizing the first Liaoning art festival in celebration of the 40th anniversary of the founding of the PRC; pay firm attention to the construction of the provincial library; and strive to complete the construction of the color television tower by the end of this year. We should continue to launch the patriotic and public health campaign, deepen the reform of public health structure, advocate various ways to run hospitals, attend to the education on medical ethics, improve the quality of medical treatment, achieve primary health care, and pay particular attention to improving the medical and public health work in the rural areas. We should focus on cultivating medical and public health workers for the rural areas to upgrade the rural areas' medical treatment level and to ensure the people's good health. It is necessary to launch the mass sports activities, to do a good job in organizing the second national youth sports meet, and to promote the development of sports undertakings in our province.

Controlling the population growth rate and protecting the environment is a basic state policy as well as an important indicator for the degree of spiritual civilization. At present, our province has entered the third baby boom period since the founding of the PRC. So, the tasks for controlling population growth are particularly arduous. We must enhance the awareness of per capita share and the concept of population, strictly carry out the leadership responsibility system, goal-oriented management, conscientiously carry out the "Liaoning Provincial regulations on family planning," apply economic and administrative means to strictly and resolutely control the birth rate and the natural population growth rate within 16.6 per thousand and 11.5 per thousand respectively. We should persistently advocate good births and good education to further upgrade the population quality. The people should enhance their awareness of protecting the environment, emulate the "Green Leaf Cup" competition, pay attention to reasonably developing and using natural resources, protect the headwaters for the

people's daily use, achieve the improvement of urban and rural environments, accelerate the elimination of pollution, pay particular attention to eliminating industrial pollution areas, and strive to create a beautiful and clean living environment for all people of the province.

**J. Continue To Strengthen Democracy and the Legal System And Create a Fine Social Environment for Improving the Economic Environment, Rectifying the Economic Order, and Conducting Reforms.**

We should strive to build socialist democracy. In the course of improving the economic environment and rectifying the economic order, we should continue to promote, in a well-guided and step-by-step manner, the democratization of political, economic, and social activities. This is of extremely realistic significance in unifying the thinking of the cadres and the masses and pooling the wisdom and efforts of the masses to overcome the current difficulties. Government at various levels should keep close contacts with the masses, set up and perfect systems of social consultation and dialogue, democratic supervision, and press publication, and make their work visible to the public. Governments at various levels should strive to ensure that the people discuss major issues and hear people's opinions on major policy decisions so as to encourage the exchange of views between people from higher and lower levels and to promote mutual understanding, and to have the masses enjoy full rights in administering the country and enhance the sense of democracy and the sense of being masters of the country. We should do a good job in responding to incoming letters from the masses and visitors so that the masses have avenue for suggestions and complaints. Governments at various levels should consciously accept the supervision by the People's Congresses and their Standing Committees, and substantially do a good job in handling deputies' suggestions, criticism, and opinions. We should often listen to the opinions and suggestions made by the Chinese People's Political Consultative Conference [CPPCC] committees and democratic parties; and handle the motions made by CPPCC members. We should pay attention to relying on trade union, Communist Youth League, and women's organizations' role as a bridge, and hear the opinions by the people on all fronts.

We should strengthen the building of the socialist legal system. A high degree of democracy and social stability are inseparable from a perfect legal system. Therefore, we must permeate reform and construction with the building of the legal system. In particular, we should, in light of the problems emerging in the current improvement and rectification drive, conduct the education on the legal system, strengthen the sense of the legal system, enhance the awareness in studying and abiding by laws, safeguard the seriousness and authority of laws, and strive to attain the goals of enforcing administration, handling affairs, and managing cities according to law. In close coordination with People's Congresses, governments at all levels should draft well pertinent local rules

and regulations within the limits of their authority as prescribed by law and should gradually establish a system of local regulations that is suitable for reform, opening-up, and the development of commodity economy. In the course of conscientiously implementing the state law and decrees, we should do a good job in implementing the local rules and regulations. We should pay attention to supervising and inspecting the situation of law enforcement, strictly implement the responsibility system in law enforcement, attain the goal of strict law enforcement and observance, punishing law breakers, and ensure the implementation of laws, rules, and regulations in all localities.

We should strengthen the comprehensive administration over public security. We should penetratingly study new situations and new characteristics of the public security work under the condition of reform and opening-up, continue to deal stern blows to serious criminal offenses, and impose severe punishment on graft, bribery, and other economic crimes. We should strengthen the grassroots work and resolutely ban ugly and corrupt instances in social life. We should depend on the forces on all circles to comprehensively solve problems concerning public security; and, in particular, concentrate on maintaining public security in large and medium-sized cities, major traffic lines, and coastal areas, so that the people will really have a sense of security. We should strengthen the building of the ranks of public security and judicial cadres and policemen, and strive to build these ranks into a fighting group, which is respected, believed, and supported by the masses, and which is suitable for the demands of the new situation. We should attach importance to the basic work at the grassroots level, further strengthen the building of grassroots political power and rural mass autonomous organizations, pay attention to the education on national defense, strengthen the sense of national defense, and attend to the work of supporting the army and giving preferential treatment to the family members of the servicemen.

We should continue to strengthen the work on the patriotic united front and implement policies concerning nationalities, religious, and overseas affairs. We should further attend to the nationalities work; earnestly implement the "law on the regional autonomy of minority nationalities; and promote reform, opening up, economic construction, and social development of minority areas. We should strive to promote the prosperity of all nationalities and the mass unity among all nationalities. We should give full play to the role of patriotic figures on all circles in carrying out reform and construction, and should pay attention to propagating principles and policies toward Taiwan.

### 3. We Should Strengthen the Self-Construction of Government Organs.

Governments at all levels are leading organs of administrative authorities in all localities, as well as the units that organize political activity, production, construction,

social undertakings, and the people's livelihood. The success or failure in the self-construction of governments has a direct bearing on the image of the party and the government and on the fulfillment of heavy and arduous tasks. Therefore, we should further strengthen the self-construction of government organs in line with the goals of "being honest, clean, active, and efficient," in order to do all work in a still more effective manner, along with the people, throughout the province.

To strengthen government organs, it is most important at present to foster administrative honesty. It should be affirmed that the overwhelming majority of working personnel of government organs are honest in performing official duties and are capable of standing the test of reform and opening up. However, some government workers engage in corrupt practices such as abusing one's power to extort money, graft, and accepting bribes. Although such instances have only been committed by a small number of government workers, they have sullied the government's image, undermined the party's reputation, and infringed upon the interests of the state and the masses.

We must firmly act in line with the plans of the CPC Central committee, consider the work of keeping the government honest and clean as one of the pressing tasks, start the work with leaders first, establish a strict system of having administrative leaders take charge of the work of keeping government organs honest and clean, and make arrangements for inspecting and summing up the achievements in keeping government organs honest and clean while carrying out the work. We should strengthen office cadres' sense of keeping government organs honest and clean, educate cadres to correctly use the rights entrusted to them by the people, serve the people wholeheartedly and strictly implement the stipulations of keeping all government organs and all personnel honest and clean. Leading cadres, in particular, should take the lead in setting examples, strive to strictly observe law and discipline, and should not engage in corruption and taking bribes. They should perform their duties justly, try not to manipulate power to extort money from other people, engage in arduous struggle, and guard against extravagance and waste. We should strengthen education, improve systems, do a good job in giving supervision, strictly enforce law and discipline, and closely combine these tasks and adopt supporting measures in an effort to achieve comprehensive improvement. We should establish and implement the system of "making public work procedures and achievements and placing ourselves under mass supervision." It is necessary to establish and improve the system of setting up corruption centers, create essential conditions for placing the work of keeping government organs honest and clean under mass supervision, fully display the role of the press and media departments, circulate a notice on government work at a regular interval, reflect mass criticism and opinions, strengthen the building of supervisory contingents, improve the supervisory level, and gradually form a multi-layered supervisory system



of having specialized personnel supervise special organs and masses give comprehensive supervision, placing ourselves under social media supervision, and conducting self-supervision inside departments. We should firmly grasp the work of keeping government organs honest and clean and reduce and eliminate soil that cultivates corrupt practices. We should persist in running the party strictly, strictly punish law violators in line with administrative discipline, law and discipline, and strictly handle publicly all major and appalling corruption and economic cases exposed in the course of improvement and rectification in a timely manner. The government organs should have courage to struggle against various types of corrupt practices in a spirit of being highly responsible to the people. The unhealthy trend of taking something from the people free of charge, which exists in a small number of grassroots service and supervisory departments and which the people have complaints about, must arouse the serious attention of all levels of government. The various government departments should check unhealthy trends in their own fronts and adopt resolute measures to conscientiously grasp the task at hand. We should combine ideological education with the implementation of discipline and meting out punishment in line with the law, and conscientiously handle all cases reported by the masses.

We should improve and strengthen government organs' ideological and political work, end the trend of only grasping professional work at the expense of ideological and political work, which universally exists among the government organs at present. It is also necessary to actively explore the characteristics and laws of ideological and political work during the initial stage of socialism, keep our eyes on tapping human resources, boost the enthusiasm of office cadres, foster the fine spirit of advancing in spite of difficulties, stimulate cadres' tremendous zeal in wholeheartedly serving the people and dedicating themselves to the four modernizations, and concentrate our energies on improvement, rectification, reform, and construction. We should enhance the sense of paying attention to the overall situation and to discipline on the part of the broad masses of cadres, make them consciously submit themselves to the overall situation of improvement and rectification. All directives and decisions of the CPC Central committee and the State Council must be resolutely implemented. We should strive to strictly enforce orders and prohibitions. All arrangements and plans made by the provincial party committee and government must be actively implemented by various departments. By no means should they act in their own ways. They must consciously safeguard government prestige and guarantee the smooth implementation of all government orders. Efforts should be made to fully display the integrated functions of all government organs and make them mutually supplement one another in an effort to promote all fields of work.

We should strengthen the building of office cadres contingents. The focus of the work should be placed on grasping the building of leading bodies of all government

departments and their subordinate units. We should establish and improve the system of setting work targets and democratically appraising leading bodies and cadres, and consider their performance as an important basis for their promotion and demotion. It is necessary to reform the personnel affairs system and gradually introduce the competitive mechanism. The employment system of cadres at the section level and the appraisal system for cadre employment tried out by the provincial-level organs are conducive to making outstanding personnel come to the fore, breaking with the old practice of paying attention to seniority, and eliminating the "iron position" practice in implementing the cadre system.

It is necessary to popularize this reform method in a step-by-step manner. We should set up a cadre management system of selecting and promoting the best through open competition, being ready to accept both higher and lower posts, and being ready to accept appointments and dismissals in order to lay a good foundation for carrying out the orderly system. Provincial-level organs should continue to conduct the "public servant cup" competition campaign, ceaselessly revise conditions for the competition campaign to suit the demands of the new situation and the new tasks, and furthermore, make the campaign have special characteristics of the times. Office cadres should vigorously advocate the public-servant spirit of waging an arduous struggle and serving the people wholeheartedly; the spirit of meeting difficulties head on, doing what they pledge to do, and ensuring fulfillment; the pioneering spirit of bravely exploring and boldly blazing new trails, and the spirit of being unwilling to lag behind and creating first-class work; and strive to promote the "public servant cup" campaign to a new level.

We should advocate the spirit of being diligent in study, being good at thinking, and conducting creative work. So far, our country is in a period of replacing the old systems by the new. So the relationship between various social activities becomes more complicated. The improvement of the economic environment, the rectification of the economic order, reform, and development are mutually restricted and promoted. Leaders at various levels are asked to face the new situation and new problems. So, we must strengthen the study work in line with the requirements of the provincial party committee, unify our thinking with the theory of the 13th party congress, and ceaselessly upgrade our ideological, theoretical, and policy levels. Leading cadres at various levels should try every possible means to free themselves from specific things, conscientiously sum up practical experiences, strive to study the political and economic theories of reform and construction, apply accurate ways of thinking and accurate methods of observing and analyzing questions, scientifically and accurately analyze the situation, be good at grasping favorable chances, creatively do their work, and ceaselessly enhance their ability to have the overall situation well in hand and solve various kinds of contradictions. We should further improve our workstyle, go deep into the grassroots and

reality to conduct investigations and study, understand the new situation, sum up new experiences, solve new problems, overcome bureaucratic practices, ceaselessly improve work efficiency, and upgrade service quality. We should show concern for old comrades, humbly learn from them, pay attention to bringing their roles into play, make government policy decisions more scientific and democratic, systematically appraise major policy decisions, and hear the opinions from all fronts to upgrade the standards of policy decisions.

It is necessary to further transform governments' functions. In line with the orientation of the state regulating the market and the market guiding enterprises, we should continue to achieve the transformation of government organs in the course of improving the economic environment and rectifying the economic order, take stock of administrative companies, realistically separate party and government functions and government functions and enterprise management, and balance the relationship between various departments. We should master the application of various means to carry out "work along five lines" to upgrade the level of macroeconomic control. It is necessary to continuously persist with the policy of simplifying administrative procedures and delegating powers to lower levels. Affairs that should be handled by enterprises should be handled by the enterprises. No departments are allowed to obtain or regain the powers that should be delegated to the grassroots, according to the state principles and policies. The enthusiasm of the grassroots and enterprises for overcoming difficulties and developing production should be protected.

In short, we sincerely hope that all deputies and the people of various nationalities throughout the province will supervise and help the self-construction of our provincial government. We will certainly live up to the heavy trust placed on us by all people of the province and undertake the task of organizing the people to develop modernization.

Fellow deputies, the province's tasks for 1989 are arduous and glorious. Although there are many difficulties and obstacles in the course of advancing, the achievements made during the last decade of reforms have helped lay a solid foundation for us to continuously progress. Only when we resolutely implement the arrangements of the party Central Committee and the State Council, persist in "grasping with two hands," unswervingly improve the economic environment, rectify the economic order, firmly deepen reforms, speed up the opening of the province to the outside world, firmly rely on the party leadership, bring our political advantages into full play, closely rely on the people of various nationalities throughout the province, make concerted efforts, pool the wisdom and efforts of the masses, wage arduous struggle, and overcome our difficulties can we certainly be able to capture a new success in socialist material and spiritual civilizations and continue to push the province's reform and construction work forward.

### Report on People's Court Work

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[Excerpts of the report on the People's Court work, delivered by Zhang Huanwen, president of the provincial Higher People's Court, on 11 March 1989 at the Second Session of the Seventh Liaoning Provincial People's Congress: "Exploit the Functions and Role of Judicial Organs and Serve the Deepening of Reform"]

[Text] On the morning of 11 March, at the second Plenary Session of the 7th provincial People's Congress, Zhang Huanwen, president of the provincial Higher People's Court, made a report on the People's Court work. This work report was submitted to the session for examination and discussion. Following are excerpts of this report:

#### 1. Deal Severe Blows to Criminal Offenses Which Seriously Endanger Social Order and Sabotage the Economy With a View To Creating a Fine Social Environment

In 1988 our province witnessed an extremely grim situation in social order and public security. Major indicators were: There was an obvious increase in the number of major cases that seriously endangered social order and public security; the number of murders and cases of grave injury that resulted from the intensified contradictions among people in the fields of marriage, family, contracting, and leasing showed an increase over the 1987 figure; the crimes of infringing upon property were extremely serious; and the proportion of crimes committed by juveniles and youths rose each year. In terms of criminal offenders, increases were manifested in four aspects: 1) crimes committed by persons undergoing labor reform and labor reeducation; 2) crimes committed by jobless and idle persons; 3) crimes committed by women; and 4) crimes committed by criminal gangs. In 1988, by firmly and unswervingly implementing the principle of dealing blows to crimes as quickly and severely as possible according to law, people's courts imposed severe punishment on major criminal offenders guilty of murder, robbery, rape, and serious theft; on major elements of criminal gangs; on principal criminals, recidivists, and habitual offenders; on major criminals feeling hither and thither; and on criminals who committed crimes again after being released at the end of their prison and labor-reform terms. Except for a small number of criminal cases which needed reinvestigation and reverification because of a lack of clarified facts and evidence, most major criminal cases tried by the provincial Higher People's Court and intermediate people's courts were concluded in 15-20 days. At the same time, the provincial Higher People's Court and various intermediate people's courts held open trials of various kinds at different times, in different localities, and particularly in various large and medium-sized cities, major traffic lines, and coastal areas, in order to frighten criminals and inspire the masses.

Dealing blows to serious economic crimes has been an important measure for the party and the state to safeguard the smooth progress of reform and construction and to oppose instances of corruption. In 1988, people's courts at all levels paid attention to trying serious economic crimes. Throughout the year, a total of 3,122 cases concerning economic crimes were tried, involving 6,075 defendants, slightly more than the 1987 figure.

As demanded by the struggle against criminal offenses, many people's courts organized special collegiate benches and set up a card system to track major cases in order to firmly grasp the handling of major and appalling cases. In cooperation with relevant departments, the people's courts assigned greater importance to trying cases that involved huge amounts of money, caused grave sabotage and corruption, and were committed by cadres of state organs, establishments, or institutions. In coordination with the general inspection of tax, financial, and pricing affairs, along with the mass crime-reporting activities, people's courts at all levels went to the departments and units, where incidence of crimes is relatively higher, to conduct open trials and handle cases on the spot. People's courts at all levels also paid attention to recovering illicit money and property as well as fines and confiscated property, thus retrieving 14.31 million yuan of economic losses for the state. For those cases that were not serious enough to be regarded as crimes, people's courts suggested that the departments concerned handle them according to party and administrative discipline.

## **2. Exploit the Functional Role of Regulating Economic Relations and Maintain a Good Economic Environment and Order**

In 1988 people's courts at all levels in the province tried 16,579 economic cases, an increase of 42.3 percent over 1987. Prominent cases of economic disputes included those concerning purchasing and marketing contracts, those concerning loan contracts, and those concerning construction project contracts. This reflected the problems that exist in the fields of circulation, banking, and capital construction.

To safeguard the new order of the socialist commodity economy, people's courts at all levels in the province vigorously conducted trials for economic cases: 1) they used legal means to improve the economic environment and the banking situation of the state; 2) they stabilized economic order and accelerated the economic circulation; 3) they promoted economic structural reform and strengthened the vitality of enterprises; and 4) with the purpose of guaranteeing the export-oriented economic construction of Liaodong peninsula, they successfully tried and handled cases of disputes concerning foreign affairs, foreign nationals, and maritime disputes.

## **3. Earnestly Implement the General Principles for Civil Code and Comprehensively Protect the Legitimate Rights and Interests of Citizens and Legal Persons**

The number of civil dispute cases accepted and handled by people's courts in the province reached 75,781 last year, an increase of 24.4 percent over 1987.

Of the civil cases, disputes concerning economic interests increased each day. For instance, among marriage dispute cases, there was a tendency to pay attention to wealth to the neglect of love. In some individual and specialized households, there was also the problem of forcing one's spouse to be divorced from himself by paying a high price after getting rich. The province accepted and handled 39,171 cases of divorce in 1988, an increase of 29.8 percent over 1987. People's courts in the province also accepted and handled 10,336 debt cases, up 34.9 percent.

In trying cases in 1988, people's courts in all localities paid attention to protecting the legitimate rights and interests of citizens and legal persons from the following four aspects: First, they imposed punishment according to law on the unlawful behaviors of infringing on the legitimate property, rights, and interests of enterprises and citizens. Second, they paid attention to protecting the legitimate rights and interests of citizens and legal persons, including the health right, the name right, the title right, the portrait right, the reputation right, the honor right, and copyrights. Third, they fully protected the democratic rights of citizens and positively conducted trials of administrative work. Fourth, they further strengthened the building of people's tribunals. The province currently has 499 people's tribunals providing 1,612 cadres. The vast number of tribunal cadres grasped the handling of cases with one hand, and gave guidance to the mediation committees with the other, thus solving 320,000 civil disputes through mediation organizations in a timely manner.

## **4. Strictly Enforce Laws and Strengthen the Building of Administrative Honesty Among the Ranks of Judicial Cadres**

The ranks of People's Court cadres in the province basically were good and their political and professional quality improved constantly. However, there was still a considerably large gap if compared with the demands of the deepening reform and perfection of the legal system. In the past year, people's courts throughout the province, within the limits prescribed by the law, experimented positively with reforming judicial methods, style, and systems. To strengthen the vitality within the ranks of judicial workers, the provincial Higher People's Court and some intermediate people's courts introduced the competition mechanism by selecting judicial officers and leading cadres of people's courts and tribunals through the methods of democratic recommendation, public reply, selections from a larger number of candidates, and submitting selected candidates to People's Congress for examination and approval. Therefore, a number of



young and middle-aged cadres whose ideology was emancipated and whose political and professional expertise was strong were promoted to important posts.

To guard against upheavals from the various instances of corruption to judicial work, we persistently conducted the anticorruption campaign to strengthen disciplined inspection work and administrative honesty. As a result, the vast number of judicial cadres were able to attain the goals of remaining uncorrupted, enforcing laws impartially, rejecting intercession, refusing to attend banquets or accept gifts, and overcoming local protectionism. Those few cadres and policemen who accepted gifts and perverted justice for a bribe were punished according to law and discipline, thus maintaining the purity of the ranks of judicial workers. During the past few years, in adherence to the principle of attending to work and construction simultaneously, we achieved success in running the spare-time universities of People's Court departments. By the end of 1988, some 3,611, or 44.8 percent of all cadres and policemen of people's courts in the province, had graduated from universities and colleges. By 1990, this figure will reach 63 percent. At the same time, a group of judicial officers was selected to participate in training classes for senior judges, thus laying a solid foundation for building a contingent of judges with Chinese characteristics.

The report states: Over the past year, some achievements have been scored in the work of people's courts at all levels in the province. However, these achievements still lag behind the demands of deepening reform and establishing a new order of the socialist commodity economy. Major indicators are: The ideas of our leaders still lag behind the development of the new situation; our leaders lack a pioneering and reformative spirit; the investigations and studies conducted by judicial officers concerning the new situations and new problems emerging in reform and opening up are insufficient; the law violations committed by a handful of judicial cadres, though very small in number and having already been handled, have had a bad influence on the masses; a small number of cases have not been handled appropriately and expeditiously; and it is still difficult to execute economic and civil cases. All these problems have already attracted our attention, and we are adopting positive measures to improve our work.

The report states: During this new year, people's courts at all levels in the province should adhere to the principle of grasping construction and reform with one hand and the legal system with the other and should, through the comprehensive administration of justice, give full play to the functions and role of people's courts in protecting the people, punishing criminals, promoting reform, and serving the four modernizations. We should conscientiously implement the guidelines of the recent national forum on political and legal work, educate the vast number of judicial cadres to clearly understand the grim situation of public security, firmly and unswervingly

uphold the principle of dealing blows to crimes according to law as severely and promptly as possible, adopt strong measures to deal stern blows to serious criminal offenders and economic crimes, and ensure the implementation of the principles of improving the economic environment, rectifying economic order, and comprehensively deepening reform. We should penetratingly implement the general principles for the PRC Civil Code; orient trials of economic and civil cases to the path of handling cases according to law; apply the legal means to protect the legitimate rights and interests of citizens and legal persons; punish law violations, maintain economic order, and promote stability and unity among the people. We should make great efforts to create conditions for administering justice in order to ensure the enforcement of the state administrative laws and decrees. After this congress session, we will hold special meetings to make overall arrangements for the work of people's courts.

**Chief Procurator Reports on 1988 Record**  
*SK1704113689 Shenyang LIAONING RIBAO*  
*in Chinese 16 Mar 89 p 3*

[Excerpts of report on the work of the Liaoning provincial People's Procuratorate, made by Xu Sheng, chief procurator of the provincial People's Procuratorate, at the 2d Plenary Session of the 7th provincial People's Congress on 11 March: "Perform the Functions of Supervising Law Enforcement and Accelerate the Development of Democracy and the Legal System"]

[Text] On 11 March Xu Sheng, chief procurator of the provincial People's Procuratorate, submitted the "Report on the Work of the Provincial People's Procuratorate" to the 2d session of the 7th provincial People's Congress for examination and discussion. Excerpts of the report follow:

1. The procuratorate continued to deal strict blows to serious criminal activities and created a stable social environment for reform, opening to the outside world, and socialist economic construction.

The state of public order confronting us in 1988 was grim. Along with the increase in criminal cases, people's lives and property were threatened and their safety was affected to a large extent. The provincial party committee and the provincial government paid great attention to the grim situation in the public order and held several special conferences to hear and discuss problems concerning public order. The provincial party committee and the provincial government held three successive telephone conferences to comprehensively arrange and consolidate the work regarding public order. Procuratorates, public security courts, and judicial departments at various levels worked closely and diligently in order to consolidate public order.

The number of criminals whom public security organs were asked to arrest and whose cases were transferred for prosecution, accepted, and handled by procuratorial organs at various levels throughout the province in 1988 increased by 25.1 percent and 24.7 percent, respectively. Within the legal time limits, the procuratorial organs approved the arrest of 21,383 criminal offenders and decided to bring suits against 20,351 people, up 30.15 percent and 23.77 percent, respectively. Procurators appeared in court to institute proceedings against criminal offenders on 11,517 occasions, and the rate of attending court for first trials reached more than 99.5 percent. All this effectively exposed and denounced criminal cases and promoted the legal system in society. The procuratorial organs approved the arrest of 5,217 serious criminal offenders and examined 3,585 serious cases relating to plaintiffs. These organs persistently got involved early in public security organs' investigations and preliminary investigations of murderers, robbers, and rapists; worked together with public security organs to investigate crime scenes; examined and read case records in advance; and tried to know the details of cases at an early date. To ensure the quality of the cases handled and approve arrest and prosecution of criminal offenders as soon as possible, the procuratorial organs tried to submit criminal cases to courts for trials as quickly as possible, in order to swiftly and forcefully punish them.

Although they approved arrests and decided to bring suits against a larger number of criminal offenders according to law, the procuratorial organs did not approve the arrest of 2,519 people or bring suits against 124 people. These organs also pursued, captured, and brought suits against 660 criminal offenders so as to prevent wrongful trials and omissions. They set forth 2,623 opinions and suggestions on correcting general illegal activities and various kinds of problems in the course of investigating and trying criminal cases; lodged protests, according to law, against court decisions and rulings they considered wrong; and investigated, according to law, seven public security cadres and policemen who were seriously in violation of discipline and criminal law and affixed responsibility to them.

The procuratorial organs at various levels further strengthened the work of investigating jails. While supervising, according to law, the court decisions and rulings on criminal cases and whether or not the reform-through-labor and education-through-labor organs conducted legal activities, the procuratorial organs cooperated with prisoner management and transformation centers, helping them to upgrade the quality of reform-through-labor and education-through-labor work. During the past year, the procuratorial organs checked laws and policies on 10,007 occasions, discovered 3,041 problems, and corrected 2,413 of them.

The procuratorial organs performed procuratorial functions to deal strictly with repeated criminal activities within the prisoner management centers; instituted,

according to law, proceedings against 231 repeat criminal offenders; and firmly ended the frequent criminal trends of escape, violence, injury, and thefts.

Thanks to intense work by the public security organs and the efforts made by the people in society, the province maintained a basically stable social order during the past year. However, there are still many problems, and the situation is comparatively severe. There exist prominent serious criminal activities, such as murders, robberies, rapes, gangs of hooligans, major thefts, and retaliatory strikes against enterprise leaders who execute the law. In the period of replacing the old systems with the new, there are increasingly more social contradictions, many unstable factors emerge creating symptoms of trouble-making trends. Social evil phenomena such as gambling, prostitution, and trafficking in drugs are not stamped out, but continue to run rampant, although they have been prohibited for a long period. These phenomena seriously affect social stability. Some ferocious criminals with a hostile attitude toward socialism damaged the political situation that is characterized by unity and stability. Therefore, we must be able to distinguish between ourselves and the enemy and be aware of misery, remain sober-minded, never give up the forceful weapon of people's democratic dictatorship, deal blows unswervingly to serious criminal offenders, and make unswerving efforts to stabilize public order.

2. Procuratorial organs strictly punished serious criminal activities according to law and promoted the smooth progress of maintaining administrative honesty and "improving the economic environment, rectifying economic order, and deepening reforms."

In 1988 the economic procuratorial organs were confronted with a comparatively complicated situation. Some unhealthy things emerged in the economic field in the course of replacing the old systems with the new. Some state personnel abused their positions and powers to indulge in corruption and accept bribes.

Acting within their jurisdictions, procuratorial organs across the province accepted and handled 1,410 economic cases, placed 529 cases on file for investigation, and tried and concluded 598 cases (including those left over from 1987). A total of 7.88 million yuan was retrieved for the state. These organs adopted the following principal measures:

A. They paid attention to discovering criminal activities and exposed serious criminal activities related to a small number of state personnel. Procuratorates at various levels established, according to the requirements of the central authorities, 101 centers (stations) to report economic crimes and opened main channels for discovering the sources of cases. These centers accepted and handled 3,017 economic criminal clues reported by the masses in 4 months or so. More than 3,000 state personnel were involved in these cases. Of them, 198 were cadres at or

above the section and bureau levels. By the end of 1988, the centers had begun investigation on 812 cases and placed 103 of them on file for investigation.

B. They strengthened investigations with the focus on opposing corruption and bribery and did a good job in handling major and appalling cases. During the past year, the procuratorial organs across the province placed 431 cases of corruption and bribery on file for investigation, accounting for 81.5 percent of the total cases of this kind that had been placed on file. Procuratorial organs at various levels paid attention to strengthening leadership, concentrated efforts on investigating and handling major and appalling cases with great influential power, spared no efforts to make a breakthrough in investigations, and strictly handled those who were related to the cases. During the past year, the province cleared up 98 major and appalling cases of corruption and bribery, accounting for 78.4 percent of the total. Facts showed that 100 people were frightened, generally educated, and warned through investigating and handling major or appalling cases.

C. They attempted to improve methods for handling cases and expanded the results. The provincial and city procuratorates persisted in the examination of major and appalling cases that were placed on file by lower-level procuratorial organs. Chief procurators and responsible chief procurators personally heard reports on major cases in order to understand the details of the cases; gave instructions; strived to gain accurate evidence, correctly determine the nature of the cases, go through legal procedures, and apply appropriate legal measures to ensure that the cases that had been handled could be tested by history. Last year, the province noticeably upgraded the quality of investigating and handling cases that were placed on file for investigation.

While dealing strictly with state personnel who commit serious economic crimes, procuratorates at various levels closely investigated and handled, according to law, the criminal cases of state personnel who infringed upon human rights and committed crimes to the neglect of their duties. With a view to promoting the construction of democracy and the legal system and to further upgrade awareness of law and discipline, procuratorates at various levels concentrated on investigating and handling cases of state personnel who infringe on human rights and commit crimes to the neglect of their duties, such as extorting confessions by torture, illegally taking a person into custody, dealing vindictive blows to others, bending the law for benefits, and ignoring their duties. During the past year, they handled 103 major cases of this kind. All this helped to promote the socialist legal system and facilitate the development of democratic politics.

3. The procuratorate strengthened its self-construction and upgraded the quality of the ranks of procuratorial workers and their ability to enforce the law.

In 1988 the procuratorial organs at various levels throughout the province further strengthened their self-construction, strengthened the legal awareness of accepting the supervision by the People's Congresses and being responsible for their work. Strictly in line with the provincial people's congress standing committee's "provisional regulation on supervising the judicial work," procuratorates at various levels positively launched the activities of investigating law enforcement, discovered and corrected 670 problems, and corrected 31 mistakes. Many procuratorates enthusiastically strived to gain the support of the People's Congress standing committees and relied on them to solve some complicated cases, disputes, and cases left over by history. They scored good results in this regard. We deeply experienced that consciously accepting supervision by the People's Congresses and striving to gain their support is the procuratorial organs' key political and legal guarantee for exercising their procuratorial rights.

The procuratorial organs strengthened their self-restriction and the improvement of administrative honesty. In 1988 the provincial procuratorate decided to carry out a system in which the three subordinate departments individually investigate, approve the arrest of, and prosecute criminals on a responsibility basis. They correspondingly formulated detailed rules for implementing the system in order to thoroughly eliminate malpractices. All this helped to provide a guarantee for upgrading the quality of handling cases and preventing illegal and undisciplined phenomena. Procuratorial organs throughout the province firmly attended to education on maintaining administrative honesty. More than 70 procuratorates formulated in a timely manner specific regulations on maintaining administrative honesty, conducted frequent investigations, and maintained the honesty of the ranks of procuratorial workers.

The procuratorial organs firmly attended to the activities of implementing the law according to law strictly and in a civilized manner, and improving the enforcement of law. A group of honest and upright cadres in charge of procuratorial work emerged. The procuratorial organs further improved the activities of enforcing the law, paid attention to eliminating the concept of having privilege, and the simple and rough work style, respected and relied on the masses, paid attention to the legal rights and interests of the accused, and fostered the image of enforcing the law in a civilized manner.

During the new year, procuratorial organs throughout the province should further comprehensively exercise the functions of supervising enforcement of law; conduct their procuratorial work in an all-round manner; and make new contributions to safeguarding and promoting reforms and the opening to the outside world, promoting the smooth progress of improving the economic environment and rectifying economic order, and accelerating the improvement of administrative honesty and the development of socialist democracy and the legal system.



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